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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. ISAKSON).

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
February 13, 2001.

I hereby appoint the Honorable JOHNNY ISAKSON to act as Speaker pro tempore on this day.

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

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2001, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

CREATING LIVABLE COMMUNITIES IN THE MILITARY

Mr. BLUMENAUER. Mr. Speaker, I came to Congress committed to having the Federal Government be a better partner in helping our communities be more livable, our families safe, healthy, and economically secure. Among the most important areas for the new Administration to reexamine is the quality of life, the livability of our enlisted people, and the relationship that the military plays in making all our communities more livable.

There are tremendous opportunities to continue some good things that started in the last Administration, and for the President and Secretary Rumsfeld to move even further. The bottom line is that the United States Department of Defense should be a leader at home and abroad, improving the quality of life for the men and women in uniform and their families.

The Department of Defense should be a world leader in building livable communities, whether it is improving environmental protection, sustainable development or partnerships with citizens at all levels.

There are some outstanding examples taking place within a stone's throw of our Nation's capitol.

The Navy Yard renovation is leading the revitalization of the District of Columbia's Southeast waterfront. It is recycling materials and land, developing green buildings, and proving that you can improve the quality of military life while making a difference for the community.

The Department of Defense is managing a massive problem dealing with the same Endangered Species Act that confronts American communities all across the country. To cite just one example, there are 17 endangered species that have been identified at Camp Pendleton, the only large green space remaining between Los Angeles and San Diego.

The Department of Defense is managing 12,000 properties that are listed on or are eligible to be listed on the National Register of Historic Places. This is the largest inventory in the United States and slated to grow even larger because over the next 30 years another 70,000 buildings will reach 50 years of age and require evaluation.

In fact, our military is the largest manager of infrastructure in the world with over $500 billion in bridges, hospitals, roads and docks. One of the most challenging examples is to be found in the area of housing. There are over 300,000 units of military housing; and sadly, as President Bush is discovering today, two-thirds of them are substandard. There is an opportunity to harness new techniques in partnership with the private sector to make sure that we retain valued personnel by treating their families right with homes we can all be proud of.

I hope this Congress will step forward to help the military in other ways to promote livable communities. One of the most important ways would be to increase the necessary funding in order to accelerate the timetable for cleaning up unexploded ordnance, the bombs and shells that did not go off as intended and litter the landscape in over a thousand locations across the United States. There is a legacy of bases, bombing sites, and storage depots from Martha's Vineyard to Camp Bonneville in metropolitan Oregon.

Even around the American University campus right here in Washington, DC there is unexploded ordnance and nerve gas and that has been here since World War I. We cannot wait 500 years to clean these sites up, which is the time that will be required if we follow the current pattern.

The President should include a separate line item in the budget he submits to us, and Congress should focus on it and provide adequate funding. Another simple but powerful step would be for the Department of Defense and, say, the Post Office to obey the same rules as the rest of America. The presumption should be that absent a specific finding of urgent military necessity, our Department of Defense meets the same building codes, environmental standards, and transportation requirements.

Last, but by no means least is the opportunity to keep the mission if not the team intact at the Department of Defense for the military to provide true environmental leadership. There

was an outstanding team that was assembled in the last administration: Sherri Wassserman Goodman, Randall Yim, Sandy Apgar, to name just a few. These people have doubtless moved on, but there is a lot to be learned from them, and we need to make sure that the mission and the techniques are retained and enhanced.

Getting and retaining the highest quality fighting force in the world requires that we treat them and their families right. It is important to make the military a full partner in livable communities using the ingenuity, the brain power, and the sense of mission and devotion to duty that are the hallmark of our armed forces.

PHILIP MORRIS'S CHARITABLE GIVING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes.

Mr. DOGGETT. Mr. Speaker, today I rise to applaud the excellent efforts of the ABC television network and particularly journalists Dan Harris and John Stossel for demonstrating the tremendous deceit associated with the latest round of Philip Morris advertising.

Philip Morris is a company that is in the business of addiction and death. It markets a product that it knows causes death, disease, and untold human misery. It markets a product that most of its victims would never consume, or certainly not continue consuming, were it not for the highly addictive quality of nicotine, which is an essential ingredient to its future sales.

Hence, in one sense, these advertisements are quite accurate—''the people of Philip Morris'' are ''working to make a difference.'' Indeed, to the 3,000 new children who each day try tobacco, it can be a life and death difference. One thousand of those children will eventually die or suffer from serious disease as a result of their tobacco use. Of course the ''difference'' that we hear about on television is not those children but the children who receive Philip Morris scholarships and shelters. We hear not how they addict people but how they feed them, not how they flood the market with nicotine but how they help flood victims. Indeed, ABC pointed out that Philip Morris has generously contributed $115 million to such charitable activities.

But, wait, there was more that Philip Morris did not want the public to know. Although they spent $115 million for charitable contributions, they spent $150 million to publicize their charity. As John Stossel said, ''Give me a break!'' If Philip Morris really had such a big heart, why doesn't it just donate all the money to charity instead of wasting $150 million on ads?

The reason, of course, is quite clear. Philip Morris has taken to heart more than most the old adage that charity begins at home. And for Philip Morris, spending $115 million on charity is charity for itself.

As ABC has reported, internal Philip Morris documents show that charitable giving has been a key part of its strategy for years. Favorite philanthropies of Philip Morris include those who could ''neutralize'' women and minority groups, which might otherwise speak out against their being targeted for nicotine addiction. Those documents also indicate that Members of Congress and legislators around the country have not been forgotten—some of Philip Morris' favorite charities are the favorite charities of those policymakers that have the power to do something about the addiction and death business that is so critical to this company's future.

Indeed, I think that Matt Myers at the Campaign for Tobacco-Free Kids said it best: ''These ads are not about charity. These ads are trying to convince Congress and juries that Philip Morris is reformed and responsible, so that the next time they have to walk into a courtroom or the halls of Congress, they can avoid real change.''

Of course when they walk into the halls of Congress, they do not walk into strangers. Philip Morris spent from 1997 to 1999, just a 2-year period, about $120 million on lobbying here in Washington. And it was generous with its contributions to the national political parties and to Members of Congress, contributing over $11 million in PAC and soft money contributions during 1999.

At the same time Philip Morris was conducting this advertising campaign about its charitable giving, it was also advertising that it no longer markets to children in ways that will attract 3,000 children to tobacco products every day. Of course, in other countries where it markets its deadly products, Philip Morris refuses to abide by any of those restrictions on the marketing to children. Philip Morris continues to play a key role in a worldwide pandemic that will be the largest killer, more than AIDS, more than the combined death toll of a long series of diseases that plague our planet. Philip Morris will be a part of the pandemic that will kill more people in this world than any of these other diseases put together over the next couple of decades.

But I think that for this Congress, it is important for us to realize the financial difference between the good deeds Philip Morris advertises and the amount it spends to promote those good deeds. Congress must react by giving the Food and Drug Administration the jurisdiction it needs over tobacco products, the Justice Department the support it needs to continue its lawsuit against the tobacco industry, and address the problem of Big Tobacco's involvement in smuggling around the world. As Members of Congress, we must respond responsively and responsibly to the growing problem of worldwide tobacco addiction and death, though Philip Morris has done neither.

PRESIDENT BUSH'S TAX PLAN AND ITS EFFECTS ON GUAM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Guam (Mr. UNDERWOOD) is recognized during morning hour debates for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, considering that the Committee on Ways and Means of the House of Representatives has begun hearings on President Bush's tax plan, I thought it important to speak about the impact such a plan will have on my home island, the territory of Guam.

At the outset, let me just say that I fully support tax relief for the people of Guam, as well as for hardworking taxpayers across the country, especially for middle- and low-income families. However, I think it would be irresponsible for me if I did not raise the concerns that the President's tax plan would have on Guam.

Unlike the rest of the Nation, Guam and the Virgin Islands are the only U.S. jurisdictions which have tax systems which mirror the U.S. Internal Revenue Code. This means that Guam's tax law mirrors the Internal Revenue Code as required under Guam's Organic Act of 1950. Whatever tax policies are implemented at the Federal level will take effect at the local level without input from the people of Guam or the government of Guam.

Unlike the States, however, the tax cuts for Guam will come from the government of Guam, not the Federal Government, since these revenues collected in accordance with the IRS code are deposited with the government of Guam. Therefore, the immediate issue here is the disruption of the revenue stream for the government of Guam, a concern which will have a direct impact on needed services by the government of Guam and the local economy.

The government of Guam anticipates a 30 to $50 million reduction in revenues from the President's plan. Considering that the government of Guam is projecting $243 million in income tax revenue for this year, such a decrease in revenue will greatly impact Guam. If the government of Guam had a surplus, I probably would not be speaking about this issue, but we do not. Guam's economy is still rebounding from the effects of the Asian financial crisis, particularly since much of our economy relies heavily on tourists from Japan and other Asian countries.

□ 1245

Guam's unemployment rate is a staggering 15 percent, more than three times the national average. It is for this reason that I am asking my House colleagues, particularly those who sit on the Committee on Ways and Means, to consider proposals that would ameliorate the anticipated loss in revenue,

while strengthening both the local economy and providing needed services.

The easiest way, of course, is a direct offset by the Federal Government for the revenue lost that could be targeted for specific social and economic needs, like school construction and health care in Guam, and that could be phased in over the same period that the tax plan is phased in.

The other way would be for the Federal Government to consider several proposals that deal with tax equity for Guam, Federal obligations to Guam that have not been fully paid, or other important issues in this very complex Federal territorial relationship. These include tax equity for foreign investors in Guam; Federal payment for the Child Tax Credit; Federal payment for Earned Income Tax Credit; supplemental security income for U.S. citizens in Guam, a program that is not extended to U.S. citizens in Guam; lifting the Medicaid cap for Guam and adjusting the Federal Matching Rate; Compact Impact Aid for Guam; and reimbursement from the Immigration and Naturalization Service for the cost of detaining and housing foreign aliens.

Considering the implications of Federal policy on Guam and the other U.S. Territories, I think it is appropriate and responsible to raise these important issues in the context of the President's plan.

In the long term, I think it is incumbent upon the Government of Guam, the Guam legislature, and the Guam business community to review Federal tax implications to Guam's economy and determine whether or not to delink from the U.S. Tax Code. But the immediate issue before us is the impact of the anticipated tax plan.

Last week I wrote to Treasury Secretary O'Neill urging him that special consideration be given for Guam and the U.S. Virgin Islands. I simply want Members of Congress and the White House and Treasury Department officials to understand the implications for any tax cut proposal on the operations of the Government of Guam and the impact to our communities, and I hope that we can work something out.

RECESS

The SPEAKER pro tempore (Mr. ISAKSON). Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 12 o'clock and 47 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 2 p.m.

PRAYER

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

''I love you O Lord, my strength.'' David prays this with such great abandonment.

Often when we pray, O Lord, it is with routine and out of daily concerns. But when overwhelmed with distress and responsibilities, we sometimes approach David's depths and cry out that You be our strength.

In this age of information and as a powerful Nation, we can easily be caught up in our own agenda and see no further; foolish enough to think that we can accomplish great deeds on our own.

But without You we can do nothing; nothing of lasting value, nothing of true significance, nothing that will touch the people around us and move them deeply.

Help us now, O Lord, as a Nation and as this governing body.

Shield us from moments of crisis and distress. Instead, renew in us the love You evidence in our history. Allow us to be so overwhelmed by Your loving presence today, that with all our hearts we may pray:

''I love You, O Lord, my strength'' 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 Nebraska (Mr. OSBORNE) come forward and lead the House in the Pledge of Allegiance.

Mr. OSBORNE 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.

GOOD NEWS FOR AMERICA'S SENIORS

(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, today we have some good news for our Nation's senior citizens. Today we have the chance to make a promise to our seniors that Social Security and Medicare will be there for them when they need it. After all, it is only fair.

Americans pay into the Social Security and Medicare systems all of their lives; they deserve to know that their benefits will be there for them when they retire. The Social Security and Medicare Lockbox Act will lock away $2.9 trillion in Social Security and Medicare trust funds guaranteeing that these precious funds are not spent on wasteful, big government programs.

This lockbox legislation is good news and reiterates our commitment to ensuring retirement security for America's seniors, today and in the future.

I encourage all of my colleagues, on both sides of the aisle, to support this important legislation and make a real commitment to our seniors by protecting the future of Social Security and Medicare.

HEATING FUEL COSTS

(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, home heating fuel costs have doubled. The companies blame OPEC and the bitter winter. Now if that is not enough to insulate your BVDs, these same companies are now saying, and I quote, they are losing money. Beam me up.

I say it is time to impose a $100 million fine on this bunch of bric-a-bracin, ratchet-fratchet nincompoops who have a license to steal and are stealing from our constituents.

I yield back all of the gas of the beer drinkers association as an in-kind contribution to all of these poor, unprofitable, crying energy companies.

ENERGY CRISIS AS IT AFFECTS AGRICULTURE

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

Mr. OSBORNE. Mr. Speaker, I would like to talk about energy as it affects agriculture. Due to high fuel prices, the cost of running farm machinery has skyrocketed. In addition, natural gas is necessary to manufacture fertilizers such as anhydrous ammonia. As the planting season approaches, anhydrous ammonia is almost impossible to obtain and extremely expensive if it can be found at all. As a result, the troubled agriculture industry is under even greater stress today than it ever has been.

As with most crises, there is also an opportunity. At the present time, we have an excellent opportunity to double or even triple the production of alternative fuels like ethanol and soy diesel. If we do this, three benefits will occur:

One, we lessen our dependence on foreign oil, and this will be good for the country.

Number two, we will reduce undesirable fuel emissions, and this will be good for the environment.

Number three, we will utilize surplus crops in a profitable manner, and this will be good for agriculture.

SOCIAL SECURITY AND MEDICARE LOCKBOX LEGISLATION

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

Mr. GRAVES. Mr. Speaker, for over 30 years, the Social Security and Medicare Part A trust funds have been used to distort the budget surplus numbers and mask deficits. This must not continue.

Today we have the opportunity to cast a vote that will end this shortsighted and fiscally irresponsible practice. Today we have the opportunity to lock away all surpluses in the Social Security and Medicare trust funds and ensure that these funds can only be spent to provide retirement and health care security for our seniors.

Mr. Speaker, the first step to saving Social Security and Medicare is to stop spending it on unrelated government programs. This is an essential first step to preserve and strengthen these programs for current and future retirees.

I urge my colleagues to send a clear message to all Americans and end the raid on Social Security and Medicare.

PROTECTING SOCIAL SECURITY AND MEDICARE

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

Mr. OTTER. Mr. Speaker, I rise today in support of H.R. 2, the Social Security and Medicare Lockbox Act of 2001. This measure guarantees that every penny paid into the Social Security and Medicare trust funds will be secure for the millions of seniors, including my 85-year-old mother in Nampa, Idaho, who rely on them today. It is also an important first step in shoring up the funds for young workers who will rely on them in the years to come.

But, Mr. Speaker, there is much more to do. And I look forward to working with the new administration and reforming Social Security to ensure that we keep our promise to those current beneficiaries and to those who are soon to retire, and just as importantly, to guarantee to those younger workers that they will get them when they reach their retirement age.

Mr. Speaker, we should also work to repeal the tax on senior citizens that was placed there by the last administration. H.R. 2 is a much-needed sign that the Federal government is keeping its commitment to senior citizens by creating a Social Security and Medicare Trust Lockbox to buttress these dollars against spending raids.

Our action today sends a strong message that saving Social Security and Medicare is a top priority of this Congress. The senior citizens that have contributed so much of their lives to our country deserve the comfort and the peace of mind that their country is there and will be there for them because they were there for us.

It is my hope, Mr. Speaker, that we will move quickly to accept this legislation.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

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

Any record votes on postponed questions will be taken after debate has concluded on all motions to suspend the rules, but not before 6 p.m. today.

CONGRATULATING PRIME MINISTER-ELECT OF ISRAEL, ARIEL SHARON

Mr. HYDE. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 34) congratulating the Prime Minister-elect of Israel, Ariel Sharon, calling for an end to violence in the Middle East, reaffirming the friendship between the Governments of the United States and Israel, and for other purposes, as amended.

The Clerk read as follows:

H. RES. 34

Whereas the Governments of the United States and Israel are close allies and share a deep and abiding friendship based on a shared commitment to democratic values;

Whereas since its establishment in 1948, Israel has fulfilled the dreams of its founders, who envisioned a vigorous, open, and stable democracy;

Whereas the centerpiece of Israeli democracy is its system of competitive, free, and open elections;

Whereas on February 6, 2001, the people of Israel elected Ariel Sharon as Prime Minister of Israel; and

Whereas the election on February 6, 2001, is the most recent example of the commitment of Israel to the democratic ideals of freedom and pluralism, ideals that Israel shares with the United States: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates Ariel Sharon on his election as Prime Minister, and extends to him the best wishes of the people of the United States;

(2) commends the people of Israel for reaffirming, through their participation in the election on February 6, 2001, their dedication to democratic ideals;

(3) urges Palestine Liberation Organization Chairman Yasser Arafat to use his influence and resources to see that violence in the Middle East is brought to an end;

(4) calls upon the countries that neighbor Israel and upon the international community to respect the freely expressed will of the people of Israel and to be prepared to engage in constructive relations with the new Government of Israel;

(5) reaffirms the close bonds of friendship that have bound the people of the United States and the people of Israel together through turbulent times for more than half a century; and

(6) restates the commitment of the United States to a secure peace for Israel.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 34, the resolution under consideration.

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

There was no objection.

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

Mr. Speaker, I rise in support of House Resolution 34, a measure which congratulates Prime Minister-elect, Ariel Sharon, of Israel, calls for an end to violence in the Middle East, and reaffirms the friendship between the United States and Israel.

I am pleased to have sponsors of this resolution on behalf of myself and the gentleman from California (Mr. LANTOS), the ranking Democratic member of our Committee on International Relations; and the gentleman from Virginia (Mr. CANTOR), one of our freshmen Members; the gentleman from New York (Mr. GILMAN), chairman of the Subcommittee on the Middle East and South Asia; and the gentleman from New York (Mr. ACKERMAN), the ranking Democratic member of that subcommittee; as well as several other Members.

H. Res. 34 recalls the abiding alliance between Israel and the United States, which is grounded in our shared commitment to democratic values. In over 50 years of Israel's existence, it has stood as a beacon of democracy in a tension- and trouble-filled region.

On February 6, 2001, the citizens of Israel once again went to the polls to elect a Prime Minister in a competitive, free, and open election. That election was decisively won by Ariel Sharon. Accordingly, this legislation congratulates him on his election as Prime Minister and extends to him the best wishes of the people of the United States.

It also commends the people of Israel for reaffirming, through their participation in that election, their dedication to democratic ideals.

Mr. Speaker, the violence that has wracked Israel and the disputed territories for months is indeed deplorable. While H. Res. 34 urges Palestinian Liberation Organization Chairman Yasser Arafat to use his influence and resources to see that violence in the Middle East is brought to an end, the legislation also restates the U.S. commitment to a secure peace for Israel.

Our measure calls upon the countries that neighbor Israel and upon the international community to respect the freely expressed will of the people of Israel and to be prepared to engage in constructive relations with the new government of Israel.

The future will surely bring many new challenges to Israel, including the continued threat of terrorism and the

added danger imposed by weapons of mass destruction. It is critical the United States and Israel maintain an unshakeable alliance to further our many mutual interests.

I urge my colleagues to join me in voting for this important resolution.

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

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

Mr. Speaker, this is the first time that the distinguished chairman of the Committee on International Relations and I, as the new ranking member, jointly bring before this body an important resolution. And as we do so, I want to commend the gentleman from Illinois (Chairman HYDE) for his work on this resolution; and I want to express the hope that we will be able to work on a bipartisan basis on a full spectrum of issues that benefit the national interests of the United States.

I rise, Mr. Speaker, in strong support of this resolution. The resolution has several aspects, and I would like to comment briefly on each of these.

The resolution in the first place congratulates the Prime Minister-elect of Israel, Mr. Ariel Sharon, who won the most recent election a few days ago with a landslide victory. This Congress has congratulated all previous Prime Ministers of the State of Israel, a fellow democracy; and I know that my colleagues will join the gentleman from Illinois (Chairman HYDE) and me in expressing our congratulations to the newly elected Prime Minister.

Our two governments, the government of the United States and the government of Israel, are not only close allies and friends, but we share a deep and abiding commitment to democratic values. As a matter of fact, since the founding of the State of Israel in 1948, that state has fulfilled the dreams of its founders who envisioned a vigorous, open and stable democracy; and the centerpiece of that democracy is its system of free, competitive, and open elections.

□ 1415

I find it particularly amusing that some of Israel's neighbors, who have never had free and open elections, now criticize the people of Israel for having participated yet again in free and open and democratic elections.

Now our resolution urges Mr. Arafat to use his considerable influence and very significant resources to see that the violence in Israel and in the West Bank and Gaza come to an end. Mr. Arafat commands a so-called ''police force'' of over 40,000 well-armed soldiers, and it defies belief that if he were to truly be determined to put an end to the violence he would be incapable of doing so. Forty thousand well-armed men on that small territory are more than adequate to restore peace and stability in the region.

Our resolution, Mr. Speaker, also calls on all the neighbors of the State of Israel and the international community to respect the freely expressed will of the people of Israel and to be prepared to engage in meaningful and constructive relations with the new government of Israel.

The gentleman from Illinois (Mr. HYDE) and I have just concluded a lunch with our Secretary of State, Colin Powell, who is about to leave on a journey to the region. I know I speak for all of us in wishing him good luck in this difficult undertaking. It is critical that Israel's neighbors and the countries in the region as a whole display a degree of responsibility, statesmanship, and commitment to move ahead with the peace process.

Clearly, given the current climate, there will be no final resolution of this long-festering conflict; but it is critical for the benefit of all the people in the region—Arabs, Palestinians and Israelis—that peace and stability be restored and the process of sitting down around the negotiating table with the new Government of Israel commence. We here in this body will do our utmost to facilitate this process. I wish the new Government of Israel, yet to be formed, good luck as it attempts to carve out for the people of Israel a permanent, stable and peaceful place in the Middle East.

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

Mr. HYDE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, the gentleman from Virginia (Mr. CANTOR), a new Member of the House and a new member of the committee, brought the idea of this resolution to me as well as to the gentleman from New York (Mr. GILMAN) and to the gentleman from California (Mr. LANTOS). It was a helpful suggestion and one which demonstrates the leadership quality the gentleman's constituents have recognized by electing him to the House.

Accordingly, I would like to accord him the responsibility for managing the time.

Mr. Speaker, I ask unanimous consent that the gentleman from Virginia (Mr. CANTOR) be permitted to control the balance of my time.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. CANTOR) will control the time.

Mr. CANTOR. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN), the chairman emeritus of the Committee on International Relations and the chairman of the Subcommittee on Middle East and South Asia.

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

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

I rise in strong support of H. Res. 34, a resolution congratulating Prime Minister-elect Ariel Sharon of Israel upon his election victory and calling for an end to the violence in the region, underscoring the longstanding friendship between the United States and Israel. I commend the distinguished chairman of our House Committee on International Relations, the gentleman from Illinois (Mr. HYDE), and the gentleman from California (Mr. LANTOS), the ranking member of our committee, for cosponsoring this measure. I want to particularly commend the gentleman from Virginia (Mr. CANTOR), who initiated this measure.

Mr. Speaker, few nations could prosper and grow while under siege, on an almost constant state of alert and under attack, as Israel has had to contend with over the past 50-some years. Yet despite the tension and the violence imposed by unrelenting forces led by PLO Chairman Yasser Arafat, the Israeli people went to the polls in a free, fair, and democratic election to choose a new Prime Minister. General Ariel Sharon won that election by a decisive 25 percent.

We look forward to working with Prime Minister Sharon as he confronts the existential questions that Israel faces daily. We salute Israel and her citizens for their courage, their principled leadership and their commitment to democratic ideals and to peace with security. Support for Israel in the Congress reflects a friendship the American people feel for Israel. Those feelings are reflected in this legislative body's strong commitment to a secure and lasting peace for Israel.

Accordingly, I am pleased and proud to lend my support and cosponsorship to H. Res. 34. I strongly urge my colleagues to support this measure.

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume. Before yielding to my next colleague, I want to recognize publicly the 6 years of distinguished service the gentleman from New York (Mr. GILMAN) spent as the distinguished chairman of our committee and welcome him in his new role as chairman of the Subcommittee on Middle East and South Asia.

Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Speaker, I rise today in support of this resolution, which celebrates the triumph of Israeli democracy. Israel has been our consistent strategic ally in one of the most important and volatile regions of the world.

Surrounded by enemies, plagued by acts of vicious terrorism, which have claimed the lives of countless civilians, many specifically targeted at children and other noncombatants, Israel has nonetheless maintained its commitment to a free, open, and democratic society. Nations facing far fewer and less substantial threats have degenerated into repressive and despotic regimes.

In the wake of the Israeli election, regardless of whether Members of this

House or, indeed, average Americans may have had a preference for one candidate, party or another, we must continue as we always have to respect the fact that Israel is the only democracy in the Middle East. It is the people of Israel who must live under the guns of hostile neighbors and terrorists, and it is their sons and daughters who must wear the uniform of IDF and bear the risks.

As friends of Israel, we hope for peace; but we remain committed above all to Israel's security. And for that reason we must continue to work with the democratically elected government of Israel. It is only when Israel's neighbors understand that they cannot achieve their goals through violence that they may be willing to talk peace sincerely. As we have unfortunately witnessed, even when offered 95 percent of their stated goals, a Palestinian state, 100 percent of Gaza, and 95 percent of the West Bank, including even sovereignty over sites holy to Judaism as well as to Islam, the Palestinians responded with violence, refusing even to make a counteroffer; violence that continues to this day.

Israel was willing to make substantive and wrenching concessions in the form of land and control, for which in return she asked only the intangible promises of peace. Yasser Arafat could not even bring himself to mouth the words. Instead, he schooled Palestinian children in hate and violence; he placed young children in front of armed terrorists as human shields and offered their parents money to secure those children, practices that have drawn criticism from international human rights organizations.

The members of the world community have now clearly been shown, and we hope they have seen, that the honest and real efforts of Israel and of the United States to secure peace in that region have been rebuffed by the Palestinians, who continue to initiate violence and to proclaim as a condition for the end of that violence demands that, if accepted, would mean the end of the suicide of the Israeli state.

Even under these heavy burdens, Israel remains a strong and vital democracy. I congratulate the people of Israel on their commitment to peace and a free society; and I urge the administration to make clear that we will stand behind Israel 100 percent.

Mr. CANTOR. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. KNOLLENBERG).

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

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding me this time, and I appreciate very much the opportunity to speak on this resolution.

I rise today to offer my support for House Resolution 34, congratulating Israel on a fair, democratic election and encouraging long-lasting peace in the Middle East. Both the United States and Israel share a deep commitment to democracy and free elections. This commitment provides a foundation for the great successes our countries have enjoyed. I join my colleagues today in commending the people of Israel for their dedication to democratic values and a system of competitive, free, and open elections.

This resolution also reaffirms the commitment of the United States to pursuing a secure peace for Israel and all the people of the Middle East. Given the events in and around Israel in recent months, and its relationship with the U.S., I believe supporting Israel is essential to our national interest. I am pleased that this resolution reconfirms our commitment to supporting Israel, and I am hopeful the parties involved in the current turmoil will find a way to bring lasting peace to the region.

Mr. Speaker, I thank the sponsors for bringing this timely resolution to the floor today, and I encourage all Members to join in supporting its passage.

Mr. LANTOS. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. WEINER).

Mr. WEINER. Mr. Speaker, I thank the gentleman from California, and I thank the sponsors of this resolution, especially the gentleman from Virginia (Mr. CANTOR), our new colleague, who has shown such leadership on this issue.

We have once again been reminded of a lesson about the nation of Israel: That she is alone in an ocean of monarchies and dictatorships; that she is a democracy. And we congratulate Ariel Sharon on his election. But we have also been reminded of some valuable lessons that we should keep in mind and remember about the Palestinians. The fact of the matter is that Yasser Arafat and his people have shown time and time again in recent months that they simply do not care about finding peace. They have shown no interest.

As my colleague, the gentleman from New York (Mr. NADLER), pointed out, they were offered everything and then some and said no, and offered no proposals of their own. Instead, they turned to violence of the worst sort, the type of violence that showed not only the images we were led to believe about Israeli forces holding them down, pinned down; but, in fact, much of the violence that happened was outside of area A, outside of area B where Palestinians were looking for violence anywhere they could find it.

And just to make a good graphic image, the Palestinians have been using children as the stones of their war against Israel. This is the button they choose to press at every alternative. When there is a button for peace or a button for war, the Palestinians have pressed the one for war.

If there is any question about the truth of these things, we need only listen to what Yasser Arafat says not to the CNN audience, not to us, but what he says in Arabic to his own people, continually, again and again, preaching the notion of violence, preaching the voices of hate.

When we hold this in stark contrast to the voice King Hussein used when he was trying to get his people to embrace peace, and what Anwar Sadat did at the same time in Egypt to try to get his people ready for peace, we see that Arafat is no peacemaker.

This is also a time for us to be sending a message to the other Arab nations of the world, particularly Syria. We are not unaware that at this time the new president of Syria has within his control the ability to release the hostages that are being held.

□ 1430

I refer to Binyamin Avraham, Adi Avitan, Omer Souad, Elchanan Tannenbaum, Zachary Baumel, Zvi Feldman, Ron Arad and Yehuda Katz. We must never forget these men who are held hostage by Syria and by Hezbollah.

I would hope that President Bush, at the same time that he welcomes the new Prime Minister of Israel, presses for the release of these prisoners of war.

Mr. CANTOR. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. KIRK).

Mr. KIRK. Mr. Speaker, I rise today to congratulate Israel on its free and fair elections and congratulate Prime Minister-elect Ariel Sharon. He is now our partner in peace with this new administration, our President, and a new Congress that must restart the peace process.

Elections are the cornerstones of democracies, and Israel is the preeminent democracy in the Middle East. The United States, as Israel's most important and steadfast ally, honors this election and the new government of Prime Minister Sharon. Secretary of State Colin Powell recently said that Congress must continue to support Israel and her true partners in peace. And I am sure that we will do that. And this will be for Israel's long-term security.

We must finish to respect Israel's right to fight against terrorism and work to uphold and strengthen the security of her people.

I thank the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS), the ranking member, for their initiative on this; the gentleman from Virginia (Mr. CANTOR), my freshman colleague; and the gentleman from New York (Mr. GILMAN), my former boss and colleague.

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

Mr. KIRK. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from Illinois (Mr. KIRK), a freshman Member of Congress, who served on our Committee on International Relations and who was very supportive of Israel in that role, and now is even more supportive in his new role of congressman. I thank the gentleman for his comments.

Mr. KIRK. Mr. Speaker, I thank the chairman for his comments.

As a new member of the Committee on Armed Services, I look forward to working with the Committee on International Relations to support this alliance.

Mr. LANTOS. Mr. Speaker, I am pleased to yield 3 minutes to my colleague, the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, this is really an exciting day, I think a great day, for our Congress; and I thank the gentleman from Virginia (Mr. CANTOR) for bringing this resolution in front of us. It is clearly a bipartisan effort from both sides of the aisle, but it is also an opportunity for the world's greatest and oldest democracy, the United States of America, through our Chamber, to express our thanks that another democracy exists in a region of the world with too few democracies.

One thing that I think about often in this Chamber is literally right above us is, there is a series of law-givers that look down upon us in this Chamber. And there is only one that has a full frontal relief, and it is Moses literally right in front of us in this Chamber, and it is a part of the world that we are linked to as Americans in many direct ways.

To put in perspective, though, for just a couple of seconds what Israel has gone through in the last several months, over 500 Israelis have died through acts of terrorism since the Oslo Agreements. Over 500 people have died in the most horrendous and horrific circumstance that we have seen and we read about over that period of months.

What would that mean if it happened, God forbid, in the United States of America? What would the equivalent number be? It would be 25,000, 25,000 Americans in our society being killed through acts of terrorism. I do not even think we can contemplate what that would mean as individuals and as a society.

I think many of us understand what the battle is still going on and we thought the battle had ended really of the right of Israel to exist. That is really unfortunately what it seems the battle is still about. It is a battle that is, in a sense, literally not hundreds but thousands of years old. And it is a real question that is there an acceptance of Israel's right to exist from the Palestinian people, or is the thought that this is still a group of people who are like the Crusaders, who are going to last several decades and then leave.

I do not think anyone here believes that. I do not think anyone here thinks that. I do not think there is a soul in Israel that believes that or thinks that. But until that acceptance is there, I think the possibility for peace is more problematic and difficult.

We praise the democracy of Israel, and I think all of us look forward to the opportunity that Ariel Sharon has in this moment of time, that all of us know historically, there is a moment in time that he can reach out in terms of a hand of peace and a clear hand of peace that others have not been able to do. And I think the words of this Congress and the deeds of this Congress to offer our assistance in that effort are complete, united, and 100 percent.

I urge adoption of the resolution.

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

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

Mr. Speaker, I rise in strong support of House Resolution 34 and would like to thank the gentleman from Illinois (Chairman HYDE), the gentleman from New York (Chairman GILMAN) and the gentleman from California (Mr. LANTOS) for their leadership on this issue.

On February 6, the Israeli people went to voting booths. What they said was loud and clear. They said, enough, enough violence, enough of the policy of peace, enough conceding of land and security. And if we listen closely, we will hear something else, we will hear the people say they do not want peace at any cost but peace with security.

It is appropriate today that we congratulate the people of Israel in completing a successful and peaceful transition of power through a democratic election. The election of Ariel Sharon as Israel's Prime Minister, coupled with the new Bush administration, signals a new era for the U.S.-Israel relationship and a new era for the Middle East.

Peace will not be sought for the sake of a legacy. I believe very strongly that the United States must maintain its commitment to Israel's security as a fundamental basis of its involvement in the peace process. Any peace deal must come through direct negotiations between Israel and its neighbors without any prerequisites or forced solutions.

As President Bush's National Security Advisor Condoleezza Rice has said, ''We should not think of American involvement for the sake of American involvement.'' American involvement should occur when we can advance the cause of peace.

We must not impose an artificial deadline on the players in the Middle East. Peace must come on their terms, not ours. Peace must come with security, not in spite of it.

Israel has always made a sincere commitment to peace in the region. Many times their commitment to peace has caused the loss of lives and land. We need to make sure we stand with and support our only Democratic ally in the region.

I join my colleagues today in congratulating Ariel Sharon on his election and welcome a continued dialogue about how to best stop the violence and bring about peace and stability in this vitally important region.

Both the United States and Israel are off on the right foot in this new era, and I look forward to working toward a solution that brings peace with security.

Mr. WAXMAN. Mr. Speaker, as one of America's staunchest allies and the only democracy in the Middle East, Israel continues to set a shining example of free and fair elections, the peaceful transition of power, and vibrant political discourse.

I congratulate Prime Minister-elect Ariel Sharon on his victory and wish him well. I share the Prime Minister's conviction that Palestinian Authority Chairman Yasser Arafat must bring an end to the violence and reign in terrorism.

The Israeli election on February 6 once again demonstrated why the strong bond between the United States and Israel is continually reinforced by our shared values and shared goals. This is the foundation for America's firm solidarity with the State of Israel.

Mr. BENTSEN. Mr. Speaker, as a co-sponsor, I rise in strong support of this resolution, which commends the people of Israel for conducting a free and fair election, and reaffirms the important bonds between the United States and Israel.

On February 6, 2001, the people of Israel elected a new Prime Minister, Likud Party Leader Ariel Sharon. At this time of transition in Israel, I believe it is appropriate to commend the leadership and vision of Prime Minister Ehud Barak. Less than two years ago, Israelis elected Mr. Barak as their Prime Minister, after he aggressively campaigned to pursue lasting peace agreements with the Palestinians and their Arab neighbors. It's fair to say that Mr. Barak delivered on his promise to go the extra mile in the name of peace. During his tenure, Prime Minister Barak withdrew Israeli forces from Lebanon, expressed a willingness to negotiate the return of the Golan Heights to Syria, and offered the Palestinians statehood and control over sections of Jerusalem. Regrettably, after offering more in the name of peace than any of his predecessors, the Palestinian leadership left Mr. Barak's offers at Camp David's negotiating table, favoring instead a return to terror and violence, as witnessed over the past four months in the West Bank and Gaza. Despite the tireless efforts of Mr. Barak and the personal involvement of President Clinton, a peace agreement was not realized. With the far-reaching proposals offered by Mr. Barak now off the table, and with a new Administration in the United States, the future of the peace process remains unclear.

Despite these developments, there is room for optimism. Since his election, Prime Minister-elect Sharon has displayed a willingness to embrace a coalition government, with his overtures to Mr. Barak to join his cabinet as Defense Minister, and former Prime Minister Shimon Peres as Foreign Minister. Yes, some may say that these moves are calculated to meet the statutory 45-day requirement to form a coalition government. But more importantly, these initial gestures may display Mr. Sharon's pragmatic intentions to continue the peace efforts initiated by his predecessors. I hope that is the case. I have also been encouraged by the actions of Secretary of State Colen Powell, who recently announced his intention to travel to the Middle East later this month, and has remained in regular contact with the leaders of Egypt, Jordan, Syria and Saudi Arabia.

The resolution we are considering today expresses strong support for the State of Israel, and for its commitment to the democratic ideals of freedom and pluralism. Importantly,

the resolution also urges Palestinian Authority Chairman Yasser Arafat to use his influence to end the violence in the Middle East, and reaffirms the historical bond of cooperation between the United States and Israel, and our nation's commitment to help secure peace in the Middle East. I believe the U.S. is right to press the Palestinian leadership to abide by the terms of the Oslo Accords, which called for renunciation of violence, and the settlement of all disputes through negotiation.

I believe passage of this legislation is an important gesture, because Israel is our only democratic ally in the Middle East. Regardless of how we may view the results of the Israeli elections, it is important for the U.S. to maintain its solidarity with the State of Israel. With the election of a new Israeli Prime Minister, I am hopeful that the Palestinians will choose dialogue over violence, and that Israel can continue its strong relationship with the U.S. to advance peace and stability in the Middle East.

I encourage my colleagues to stand with the State of Israel and support passage of this important resolution.

Mr. SCHIFF. Mr. Speaker, as a brand new member of the House International Relations Committee, it is my pleasure to rise today to extend my congratulations to Prime Minister-elect Ariel Sharon on his victory in last week's elections, as well as to the people of Israel for their commitment to democratic principles of government. I join my colleagues in assuring Prime Minister-elect Sharon of our country's unwavering support and commitment to the State of Israel. We remain steadfast in our commitment to Israel's security and look forward to working with him in pursuing regional peace and stability, as well as working to further strengthen U.S.-Israel relations.

It is imperative that we continue the dialogue for peace in the Middle East, and to this end, I call upon Palestinian Authority Chairman Yasser Arafat to demonstrate a commitment to the peace process by calling for an immediate end to the violence.

I also want to acknowledge the work of the House International Relations Committee Chairman, Mr. HENRY HYDE, and the lead sponsors of this resolution, Mr. LANTOS, Mr. GILMAN, Mr. ACKERMAN, and Mr. CANTOR, for their work on this resolution. I look forward to working with them in the House International Relations Committee on this and other issues of importance to our national interests and foreign policy.

Ms. JACKSON-LEE of Texas. Mr. Speaker, a fair, free, and open election took place in Israel on February 6, 2001, to determine the next Prime Minister of that nation. I rise today to support House Resolution 34, which congratulates Prime Minister-Elect Ariel Sharon as the elected leader of the people of Israel. I am a cosponsor of this measure.

The measure commends the people of Israel for reaffirming, through participation in the election, their dedication to democratic ideals; urges Palestinian Liberation Organization Yasser Arafat to use his influence and resources to see that violence in the Middle East is brought to an end; and calls upon Israel's neighbors and the international community to respect the will of the Israeli people and engage in constructive relations with the Israeli government.

Naturally, the resolution also reaffirms the close bonds of friendship that have developed between the peoples of the United States and Israel and restates the commitment of the United States to a secure peace for Israel.

Mr. Speaker, peace is never easy to broker. Prime Minister-Elect Sharon has a formidable task ahead of him, and we need to forge ahead as an international community to help bring further stability to the Middle East. As a result, I am pleased to learn that Prime Minister-Elect Sharon is looking to build some consensus within the considerably wide political spectrum in Israel to bridge differences and gain some momentum for the peace process. It is encouraging that in forming a government, Prime Minister-Elect Sharon has called upon Prime Minister Ehud Barak—he is still leading caretaker government in Israel—and former Prime Minister Shimon Peres to join his coalition government. Hopefully, some arrangement can be made for these distinguished individuals to serve together within an Israeli cabinet.

The larger question of peace in the region is predicated on continued negotiations with the Palestinians. I will always be a strong supporter of the Middle East peace process because we can never stop trying. We struggle for peace, Mr. Speaker, because the current wave of violence is unacceptable. It undermines the very basis for peace, the notion that Palestinians and Israelis can trust each other and live together.

Last year, we edged a little closer to establishing a permanent blueprint for peace between the Israelis and Palestinians at Wye River. The principals involved did their best. While a peace agreement did not come to fruition, the Israelis and Palestinians conducted an unprecedented level of negotiations in the pursuit of a permanent peace. They discussed issues and exchanged viewpoints on pivotal matters of dire meaning to the Israeli people and the Palestinian people.

Mr. Speaker, we don't really know when all parties to this ongoing conflict will find everlasting peace and reconciliation. We do know, however, that Chairman Yasser Arafat of the Palestinian Liberation Organization and Prime Minister-Elect Sharon of Israel have an acute sense of the high stakes involved. Prime Minister-Elect Sharon is currently looking into various confidence-building measures between Israel and the Palestinians in order to improve the atmosphere and proceed towards peace. This is a common sense idea. We have no other alternative.

The recent violence in the Middle East underscores the need to get the peace process back on track. We must do so expeditiously. I urge my colleagues to adopt House Resolution 34.

Mr. PAUL. Mr. Speaker, today I reluctantly rise in opposition to H. Res. 34. This resolution is unclear and, hence, leaves the ability for much mischief. As the resolution's introductory sentence makes clear, this legislation is considered for ''other purposes,'' which is to say, unspecified purposes.

Certainly Israel has been a longstanding friend to the United States, sharing many of our interests including peace, open trade, and free movement across international borders. It is equally clear that the people of Israel and the Middle East have long been torn by violence and, as such, share our desire to seek peace. We should, in fact, call for an end to the violence and hope all parties will see why this must be achieved. We are also right to congratulate Mr. Sharon, as is customary to be done with the victor of any election. We have all fought those battles ourselves and rightly understand the commitment needed to succeed in that arena.

What then is the problem with this resolution? In fact, there are two problems and they are closely related. The substantive problem here is summed up in that last clause which ''restates the commitment of the United States to a secure peace for Israel.'' Certainly we wish peace upon all the people of the world, and in this sense, we are committed to peace. However, we must ask what other sorts of commitments are implied here. The vagary of this resolution leaves open the possibility that those who support it are endorsing unwise and constitutionally-suspect financial and military commitments abroad. Moreover, peace will not best be secured for Israel by the further injection of the United States into regional affairs; rather, it will come when Israel has the unfettered sovereignty necessary to protect its own security.

As written, this resolution can be interpreted as an endorsement of unconstitutional acts of aggression upon Israel's sovereignty. In this I cannot engage. Thus, it is the less-than-clear nature of the resolution upon which we are voting that makes it necessary for me to object.

This brings me to the second problem, the procedural laxity involved here. This resolution was submitted by a number of distinguished members and referred to the Committee on International Relations. The highly-regarded chairman of that committee is the primary sponsor of this legislation and a number of other committee members are among its original cosponsors. Nonetheless, a number of other members of the committee and I were not included in the process. Perhaps, had this bill traveled through the commonly established processes of this institution we would have had the ability to clarify the ''commitments'' and ''other purposes'' to which this bill refers. In short, had the committee held a hearing and mark-up, the vagaries could've been removed in the markup process. In such an instance it would be likely that we could achieve the kind of unanimous support for these resolutions, for which I often hear personal appeals. In the future, those who are interested in gaining such unanimous support might consider these procedural concerns if they seek unanimity on this floor. In the instant case, however I must vote ''no'' for the reasons I have here expressed.

Hopefully these reasons will be considered so that in future instances the opportunity to make clarifications will be offered to those duly-elected members of the committees of this House.

Ms. SCHAKOWSKY. Mr. Speaker, I am honored to join in strong support of House Concurrent Resolution 45, congratulating the people and the Prime Minister-elect of Israel on the success of the February 6, 2001 election.

I also want to commend the authors of this resolution, the distinguished Chairman of the International Relations Committee (Mr. HYDE), the distinguished ranking Democrat on the International Relations Committee and Co-Chairman of the Congressional Human Rights Caucus (Mr. LANTOS), as well as the gentleman from New York (Mr. ACKERMAN) and the gentleman from Virginia (Mr. CANTOR).

These individuals should be commended for their leadership and I appreciate their working to bring the important measure to the floor.

On behalf of myself and my constituents in the 9th Congressional District of Illinois, I Congratulate the people of Israel and the Prime Minister-elect of Israel, Ariel Sharon, for the successful February 6 election which further demonstrates Israel's commitment to democracy.

This resolution also reaffirms the policy of the United States that there must be an end to the violence in the Middle East, that we in this nation value our close friendship with Israel and are committed to Israel's security. Furthermore, it calls on Israel's neighbors and the international community to respect the outcome of this election, and urges the entire international community to help foster peace in the Middle East.

The ongoing violence that threatens the people of Israel is troubling to me and it is important that the United States be clearly on record in support of Israel and in support of peace.

I remain committed to bring whatever I can to guarantee a bright future for Israel and continuing United States support for efforts to bring peace and stability to Israel and the Middle East region. Again, I thank my distinguished colleagues for introducing this resolution and urge all member to vote in support.

Mr. RILEY. Mr. Speaker, I rise as an enthusiastic cosponsor of House Resolution 34. I want to join with my colleagues here in the House in offering my sincere congratulations to Prime Minister-elect Ariel Sharon as he sets out to lead his country and our close ally, Israel, during this very important moment in our history.

Prime Minister Sharon is faced with many challenges. He must work to form a solid coalition and working government. I join with many others in the hope to see a Unity Coalition form in support of Prime Minister Sharon and his plan for both the internal domestic progress of the Israeli state as well as his vision for the achievement of peace. We must believe that a lasting resolution to the violence and division that has existed between the Israelis and Palestinians for far too long is possible. I am confident of this and mindful that major issues remain to be resolved.

The Peace Progress is of central importance to the region. I want to applaud Prime Minister Sharon's strong commitment to the absolute cessation of violence in the Middle East. Violence has plagued the Peace Process and it simply must stop. I believe it is importance that Congress go on record today with a clear message that we support the decision of the Israeli people, we support Prime Minister Sharon, and that we are vitally interested in continuing the close and prosperous relationship that our two countries have worked to foster over these many years. Much work and many monumental decisions remain.

Mr. Speaker, I applaud the sponsors of this bill and House Leadership for bringing it to the floor. I ask my colleagues to support this important resolution.

Mr. GREEN of Texas. Mr. Speaker, today I congratulate Prime Minister-elect Ariel Sharon for his recent victory over Prime Minister Ehud Barak.

Israel is facing a very difficult situation in trying to pursue peace with the Palestinians while at the same time trying to protect the people of Israel from the forces seeking their destruction. I am hopeful that Prime Minister-elect Sharon will continue to explore options for peace with Chairman Arafat, but there must be a secession of hostilities before any new peace negotiations can commence.

The Middle East peace process is at a crossroads. As we saw by the election returns, the Israeli people do not feel secure in their own homes and communities. Chairman Arafat is responsible for this feeling because it is his followers who are pursuing the course of violence. Prime Minister-elect Sharon will have to confront this violence with whatever means necessary to restore some semblance of order. However, it is my hope that more violence will not be necessary to move the peace process.

Both the Palestinians and the Israelis have the ability to inflict serious damage on one another, but what would that accomplish? I believe Prime Minister-elect Sharon knows this and is willing to restrain his forces if Chairman Arafat will do the same. At this point, the Middle East needs to remember what was accomplished in Oslo and try to rebuild the trust and respect developed there.

To Mr. Sharon, I wish him the best of luck as he moves forward trying to form his coalition government.

To Mr. Arafat, the ball is in his court. He will never achieve anything for his people pursuing the path of violence and terror. There has to be a compromise and I hope what Chairman Arafat was not able to reach with Prime Minister Barak, he can bridge with Prime Minister-elect Sharon.

The United States stands with the people of Israel as they struggle forward to make peace with all their Arab neighbors.

Mr. CAPUANO. Mr. Speaker, I rise today in support of the principles embodied in House Resolution 34. Introduced by my esteemed colleagues, Mr. HYDE, Mr. LANTOS, Mr. CANTOR, Mr. GILMAN and Mr. ACKERMAN, the resolution emphasizes how important it is for the United States to remain engaged in the Middle East and establish a good working relationship with the new government in Israel. I join my colleagues in commending the people of Israel for reaffirming their dedication to the democratic ideals of freedom and pluralism and express my sincere congratulations to Ariel Sharon on his recent election to the position of Prime Minister.

We have reached a critical juncture in the Middle East region. It is imperative for the international community to support and encourage all who seek peace and who wish to end the decades of violence. Killings have become too commonplace. Congress must emphasize peace rather than partisanship and hesitate to lay blame.

In this ongoing and arduous process, it is crucial that the United States maintain its involvement in the peace process and continue to work diligently with the international community and with the new Government in Israel. Real peace must be achieved and the United States must remain an active partner in the process.

I extend my sincerest congratulations to Mr. Sharon and wish him and his colleagues good fortune in the coming months.

Mr. CROWLEY. Mr. Speaker, I rise today in support of House Resolution 34 introduced by my distinguished colleagues from the International Relations Committee, Chairman HYDE, our Ranking Member, Mr. LANTOS, Mr. GILMAN, Mr. ACKERMAN, and Mr. CANTOR.

On February 6th, the State of Israel held free and fair elections for the 16th time in its 52 year history. In a region more familiar with long-standing monarchies and dictatorships than democratic institutions, Israel should be commended for setting an example to be emulated by others in the Middle East.

On behalf of the residents of the 7th Congressional District of the great state of New York, I would like to congratulate Ariel Sharon on his election victory.

Since its creation in 1948, Israel has made tremendous strides in an effort to co-exist peacefully with its neighbors. It is my hope, that Mr. Sharon will take the torch once held by Rabin and Ben-Gurion, and lead the people of Israel to a peaceful and prosperous tomorrow.

The United States will continue to stand alongside the State of Israel in its quest for such a future.

I commend my colleagues for spearheading this resolution, and I proudly stand with the men and women of this chamber in support of the new administration in Israel.

Mr. ACKERMAN. Mr. Speaker, I rise today to express my strong support for H. Res. 34, congratulating the Prime Minister-elect of Israel, Ariel Sharon. Mr. Sharon's election in a time of crisis speaks volumes about him and the State of Israel. I would add that this resolution says something important about the United States that many countries in the Middle East need to know: Whoever the Prime Minister of Israel may be, that person and the government of Israel will enjoy the friendship and full support of this House and the American people.

Mr. Speaker, I have great confidence in Ariel Sharon, a man who I believe can bring both peace and security to the people of Israel. The people of Israel—the only genuine democracy in the Middle East—have spoken and the results of their election must be respected. Anyone who believes Prime Minister-elect Sharon's election can be used to heighten tension, or to drive a wedge between the United States and Israel, is badly mistaken.

The bond between the United States and Israel, our longstanding friend and ally, is absolutely unshakable. Whether the prime minister is Ehud Barak or Ariel Sharon, Shimon Peres, or Benjamin Netanyahu, it is absolutely critical that all nations know that Israel will have the full support of the United States of America.

Mr. Speaker, Ariel Sharon's election sends a powerful message that we would be well-advised to heed: Yasir Arafat can't be a negotiator for the ''peace of the brave'' by day and a coordinator of cowardly terrorist acts by night. The people of Israel will not tolerate terrorism as a tool of diplomacy, or as an acceptable response when Palestinians believe that Israel's diplomatic offers are inadequate.

It seems to me that in giving this mandate to Ariel Sharon, the people of Israel are saying, in a very clear way, that peace initiatives will be met with peaceful responses, and that acts of violence will be met with appropriate responses, rather than further concessions.

Mr. Speaker, the Palestinians should be cautioned not to misread Sharon's hardline reputation to mean he is intransigent. This prime minister-elect represents a real opportunity. The Palestinians would be well advised

not to try to wait out Sharon's government until the next election; they may lose more than they gain.

As an original cosponsor of the resolution, I want to commend and thank Mr. HYDE and Mr. LANTOS, the Chairman and the Ranking Minority Member on the House International Relations Committee, for their dedication and effort in getting this bill before the House today.

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

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the motion offered by the gentleman from Illinois (Mr. HYDE) that the House suspend the rules and agree to the resolution, H. Res. 34, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SOCIAL SECURITY AND MEDICARE LOCK-BOX ACT OF 2001

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2) to establish a procedure to safeguard the combined surpluses of the Social Security and Medicare hospital insurance trust funds, as amended.

The Clerk read as follows:

H.R. 2

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Social Security and Medicare Lock-Box Act of 2001''.

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Balanced Budget Act of 1997 and strong economic growth have ended decades of deficit spending;

(2) the Government is able to meet its current obligations without using the social security and medicare surpluses;

(3) fiscal pressures will mount as an aging population increases the Government's obligations to provide retirement income and health services;

(4) social security and medicare hospital insurance surpluses should be used to reduce the debt held by the public until legislation is enacted that reforms social security and medicare;

(5) preserving the social security and medicare hospital insurance surpluses would restore confidence in the long-term financial integrity of social security and medicare; and

(6) strengthening the Government's fiscal position through debt reduction would increase national savings, promote economic growth, and reduce its interest payments.

(b) PURPOSE.—It is the purpose of this Act to—

(1) prevent the surpluses of the social security and medicare hospital insurance trust funds from being used for any purpose other than providing retirement and health security; and

(2) use such surpluses to pay down the national debt until such time as medicare and social security reform legislation is enacted.

SEC. 3. PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—Title III of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES

''SEC. 316. (a) LOCK-BOX FOR SOCIAL SECURITY AND HOSPITAL INSURANCE SURPLUSES.—

''(1) CONCURRENT RESOLUTIONS ON THE BUDGET.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any concurrent resolution on the budget, or an amendment thereto or conference report thereon, that would set forth a surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—(i) Subparagraph (A) shall not apply to the extent that a violation of such subparagraph would result from an assumption in the resolution, amendment, or conference report, as applicable, of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year.

''(ii) If a concurrent resolution on the budget, or an amendment thereto or conference report thereon, would be in violation of subparagraph (A) because of an assumption of an increase in outlays or a decrease in revenue relative to the baseline underlying that resolution for social security reform legislation or medicare reform legislation for any such fiscal year, then that resolution shall include a statement identifying any such increase in outlays or decrease in revenue.

''(2) SPENDING AND TAX LEGISLATION.—

''(A) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report if—

''(i) the enactment of that bill or resolution, as reported;

''(ii) the adoption and enactment of that amendment; or

''(iii) the enactment of that bill or resolution in the form recommended in that conference report,

would cause the surplus for any fiscal year covered by the most recently agreed to concurrent resolution on the budget to be less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to social security reform legislation or medicare reform legislation.''.

''(b) ENFORCEMENT.—

''(1) BUDGETARY LEVELS WITH RESPECT TO CONCURRENT RESOLUTIONS ON THE BUDGET.—For purposes of enforcing any point of order under subsection (a)(1), the surplus for any fiscal year shall be—

''(A) the levels set forth in the later of the concurrent resolution on the budget, as reported, or in the conference report on the concurrent resolution on the budget; and

''(B) adjusted to the maximum extent allowable under all procedures that allow budgetary aggregates to be adjusted for legislation that would cause a decrease in the surplus for any fiscal year covered by the concurrent resolution on the budget (other than procedures described in paragraph (2)(A)(ii)).

''(2) CURRENT LEVELS WITH RESPECT TO SPENDING AND TAX LEGISLATION.—

''(A) IN GENERAL.—For purposes of enforcing subsection (a)(2), the current levels of the surplus for any fiscal year shall be—

''(i) calculated using the following assumptions—

''(I) direct spending and revenue levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

''(II) for the budget year, discretionary spending levels at current law levels and, for outyears, discretionary spending levels at the baseline levels underlying the most recently agreed to concurrent resolution on the budget; and

''(ii) adjusted for changes in the surplus levels set forth in the most recently agreed to concurrent resolution on the budget pursuant to procedures in such resolution that authorize adjustments in budgetary aggregates for updated economic and technical assumptions in the mid-session report of the Director of the Congressional Budget Office. Such revisions shall be included in the first current level report on the congressional budget submitted for publication in the Congressional Record after the release of such mid-session report.

''(B) BUDGETARY TREATMENT.—Outlays (or receipts) for any fiscal year resulting from social security or medicare reform legislation in excess of the amount of outlays (or less than the amount of receipts) for that fiscal year set forth in the most recently agreed to concurrent resolution on the budget or the section 302(a) allocation for such legislation, as applicable, shall not be taken into account for purposes of enforcing any point of order under subsection (a)(2).

''(3) DISCLOSURE OF HI SURPLUS.—For purposes of enforcing any point of order under subsection (a), the surplus of the Federal Hospital Insurance Trust Fund for a fiscal year shall be the levels set forth in the later of the report accompanying the concurrent resolution on the budget (or, in the absence of such a report, placed in the Congressional Record prior to the consideration of such resolution) or in the joint explanatory statement of managers accompanying such resolution.

''(c) ADDITIONAL CONTENT OF REPORTS ACCOMPANYING BUDGET RESOLUTIONS AND OF JOINT EXPLANATORY STATEMENTS.—The report accompanying any concurrent resolution on the budget and the joint explanatory statement accompanying the conference report on each such resolution shall include the levels of the surplus in the budget for each fiscal year set forth in such resolution and of the surplus or deficit in the Federal Hospital Insurance Trust Fund, calculated using the assumptions set forth in subsection (b)(2)(A).

''(d) DEFINITIONS.—As used in this section:

''(1) The term 'medicare reform legislation' means a bill or a joint resolution to save Medicare that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes medicare reform legislation.'

''(2) The term 'social security reform legislation' means a bill or a joint resolution to save social security that includes a provision stating the following: 'For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes social security reform legislation.'

''(e) WAIVER AND APPEAL.—Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

''(f) EFFECTIVE DATE.—This section shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation.''.

(b) CONFORMING AMENDMENT.—The item relating to section 316 in the table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended to read as follows:

''Sec. 316. Lock-box for social security and hospital insurance surpluses.''.

SEC. 4. PRESIDENTS' BUDGET.

(a) PROTECTION OF SOCIAL SECURITY AND MEDICARE SURPLUSES.—If the budget of the United States Government submitted by the President under section 1105(a) of title 31, United States Code, recommends an on-budget surplus for any fiscal year that is less than the surplus of the Federal Hospital Insurance Trust Fund for that fiscal year, then it shall include a detailed proposal for social security reform legislation or medicare reform legislation.

(b) EFFECTIVE DATE.—Subsection (a) shall cease to have any force or effect upon the enactment of social security reform legislation and medicare reform legislation as defined by section 316(d) of the Congressional Budget Act of 1974.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. SESSIONS) and the gentleman from Ohio (Mr. HALL) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. SESSIONS).

GENERAL LEAVE

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 2.

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

There was no objection.

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

Mr. Speaker, in 1999, the Republican Congress led the effort to stop the 30-year raid on the Social Security trust fund. Since then, Republicans have made retirement security a top priority by committing to protect 100 percent of the Social Security surplus.

The Social Security and Medicare Lockbox Act of 2001 continues this effort by once again protecting every cent of the Social Security and Medicare surpluses.

Under this legislation, we will be honest with the American public and exercise fiscal discipline by locking away all the surpluses from the Social Security and Medicare trust funds.

This bill creates a point of order against consideration of any bill, amendment, conference report, or budget resolution that spends any of the Social Security or Part A surpluses.

According to the most recent estimates by the Congressional Budget Office, known as the CBO, $2.5 trillion of the $5.6 trillion total surplus over the next 10 years can be attributed to the Social Security trust fund. The Medicare Part A surplus is expected to total $392 billion.

This means that senior citizens and all Americans can count on the fact that the total of these two surpluses, $2.88 trillion over 10 years, will be set aside and will be available to them through these crucial programs.

Under the leadership of the gentleman from California (Mr. HERGER), the House overwhelmingly passed a similar Social Security Medicare Lockbox bill last year by a vote of 420–2. Unfortunately, Senate Democrats eventually stalled the bill and we did not achieve consensus. However, the importance of this issue has not gone unnoticed by my colleagues on the other side of the aisle.

In addition to the overwhelming support it received from this House, we also witnessed former Vice President Al Gore's attempts to adopt this issue on his own during the Presidential campaign. Though we are all familiar with the television parities of the campaign season regarding the Lockbox legislation, we must recognize that this is no laughing matter. In fact, it is downright serious.

The irresponsible spending practices of the past must not be allowed to happen again. Senior citizens now and beneficiaries in the future who will depend upon these crucial programs must have assurance and guarantee that the surpluses from the Social Security and Medicare trust funds will be used only toward the strengthening and solvency of these programs.

I am proud of this Republican Congress for its efforts to preserve, protect and modernize Social Security and Medicare. This legislation is simply another step in the long line of efforts to restore fiscal stability to our Nation's retirement systems.

I urge my colleagues to pass this important legislation.

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

Mr. NADLER. Mr. Speaker, I rise in opposition to the bill.

The SPEAKER pro tempore. Is the gentleman from Ohio (Mr. HALL) opposed to the motion to suspend the rules?

Mr. HALL of Ohio. Mr. Speaker, I am not opposed to it.

The SPEAKER pro tempore. Pursuant to clause 1(c) of rule XV, the gentleman from New York (Mr. NADLER) will control 20 minutes.

□ 1445

Mr. NADLER. Mr. Speaker, I ask unanimous consent after speaking to yield 15 minutes of the 20 minutes to the gentleman from Ohio (Mr. HALL).

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the gentleman from Ohio (Mr. HALL) will control 15 minutes.

There was no objection.

Mr. NADLER. Mr. Speaker, I yield myself such time as I may consume. I rise in opposition to this bill. I recognize that I rise in opposition to almost every other Member of this House in both parties. But I think it is time to speak out against this bill and against the nonsense of the lockbox concept which for political reasons has been embraced by Members of both parties at all levels.

It is not true that for the last 30 years we have raided the Social Security system. The fact is the Social Security system when it has a surplus must invest the money in something. The law has always said that it can invest it only in the safest possible investment, namely, government securities. When you invest money in government securities, you are lending money to the government. You float bonds, you buy securities, you lend money to the government.

When you lend money to the government, what the government does with that money has no bearing on the security of the Social Security trust fund. If the government spends that money on housing or education or prescription drugs for Medicare or bombers or submarines, what is in the Social Security trust fund is an IOU for that amount of money.

If the government spends that money to pay down the national debt, what is in the trust fund of the Social Security system? The same IOU for that amount of money. Whether it is wisest and most prudent to spend a given amount of money borrowed by the government from the Social Security system on bombers or missiles or education or housing or paying down the debt is a budget question and a policy question. But it has nothing to do with Social Security.

To say that if you use the proceeds that you have borrowed from the Social Security system for anything other than paying down debt, you are stealing that money from the Social Security system, makes exactly as much sense as saying that your bank is stealing your money when it lends it out as a mortgage loan or a car loan.

The only thing you care about with respect to the money you put in your bank is that the bank has sufficient money to pay you your interest on time and your principal when due. And the only thing the Social Security trust fund cares about when it lends the government money is that the government has sufficient funds to pay the interest on time and to pay back the bond, the security, when it comes due in 10 or 20 years or whenever it may be. Period.

To say that we must not use the proceeds of borrowing from Social Security and paying it back with interest for anything other than paying down the debt, well, it is a good excuse on the part of some why we cannot have government spending for things that otherwise the people of this country and the people of this Congress might want to spend it on, like prescription drugs or housing or health or education or increasing the defense budget or whatever. And it is a good excuse on the part of others why the tax cut cannot be as big as otherwise other people

might want it to be. But it makes no economic sense.

I oppose this bill because although it may make sense this year and maybe next year and maybe the year after to take the entire surplus of the Social Security system and use it for paying down debt because the national debt of the United States is too big, maybe that is the best use of that money this year and next year, it makes no sense to tie the hands of future Congresses and say that always in the future, in all circumstances, the best economic choice for the United States, the best policy choice, the best budget choice is to use that money only for paying down debt.

As I said before, what you do with money that the government borrows from Social Security before it pays it back with interest is a budget and policy question, but it has nothing to do with the safety of the Social Security system. The only thing that bears on that question is does the government have the money to pay it back on time, and then you get into the questions of economic growth and the health of the economy and so forth. To generate better economic growth, at one time it might be that you should pay down debt and another time it might be that you should invest in public works or whatever. We should not tie the hands of future Congresses.

I felt impelled to start raising this today because the political imperative to fool the American people on this subject which both parties have been subject to the last couple of years ought to start coming to an end.

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

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

Mr. SHAW. I just want to point one thing out. The lockbox is released as soon as the Congress saves Social Security. So to say that this is going to bind the hands or tie the hands of future Congresses presupposes that we will not save Social Security, and I will tell the gentleman that with some bipartisan support we will.

Mr. NADLER. Reclaiming my time, the bill by its terms says that the lockbox ends whenever Congress includes in a bill the words ''we are saving Social Security,'' whether we have or not.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill was introduced less than a week ago. The House has held no hearings or committee markups. There has been no chance to discuss or consider alternatives. Bringing up the bill this way under suspension of the rules further limits the opportunity for debate and amendment. Even though the bill enjoys overwhelming bipartisan support, that is no reason to shortcut the process, especially when it deals with subjects as serious as Social Security and Medicare.

A group of Democratic Members, led by the gentleman from Arkansas (Mr. ROSS) and the gentleman from Kansas (Mr. MOORE) drafted an alternative lockbox bill. Their bill supports the same goals as H.R. 2 but includes even stronger language to ensure the safety of Medicare and Social Security. By bringing up the bill under suspension of the rules, this substitute cannot be offered. Furthermore, debate is limited to only 20 minutes, not the usual hour minimum for most important bills.

H.R. 2 has worthy aims, which is the protection of Social Security and Medicare. However, it does not take Medicare off-budget which would give Medicare the same protection as Social Security. Moreover, it contains a large loophole in the protection it offers against future congressional actions.

Mr. Speaker, we have an opportunity to protect Social Security and Medicare for future generations. As this bill continues through the congressional process, I hope there will be more of a chance to shape the bill to ensure it is the very best that we can do.

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

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Marysville, California (Mr. HERGER), the cosponsor of this legislation.

Mr. HERGER. Mr. Speaker, today we have an opportunity to reiterate this body's clear and unmistakable commitment to protecting 100 percent of the Social Security and Medicare trust fund surpluses. Before this body considers tax relief, before we consider spending priorities, and before we engage in floor debate on even a single issue dealing with the Federal budget, we are here to put the protection of Social Security and Medicare first. Since the beginning of the Social Security programs, over $850 billion in Social Security and Medicare trust fund surpluses have been raided and spent on unrelated areas. Last year, House Democrats and Republicans joined together overwhelmingly to pass a lockbox very similar to the one we are considering today.

Unfortunately, it was blocked from consideration by the Democrats in the other body. While we have come a long way in protecting the Social Security trust funds, protection of the trust fund surpluses is still not law. H.R. 2, the Social Security and Medicare Lockbox Act of 2001, amends the Congressional Budget Act of 1974 to create a point of order against any bill, joint resolution, amendment, motion or conference report if the enactment of such legislation would result in a raid of the Social Security or Medicare trust fund surpluses.

This measure ensures that the trust fund surpluses can only be spent on providing retirement and health security, such as reforming Medicare to provide a prescription drug benefit or reforming Social Security to provide more options to younger taxpayers. Furthermore, as a result of not spending the trust fund surpluses, the public debt will be paid down by $2.9 trillion over the next 10 years. Our seniors deserve to know that Congress is putting their retirement and health security first.

Among many others, this measure is supported by the United Seniors Association, the U.S. Chamber of Commerce, and Americans for Tax Reform. I encourage my colleagues to join me in supporting this critical measure.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. I thank the gentleman from Ohio for yielding me this time.

Mr. Speaker, this month we are going to have Girl Scout cookie week because you may have read in The Washington Post that Girl Scouts will be selling cookies all over the United States, particularly in Washington. For some reason Washingtonians like cookies. This proposal, the lockbox proposal, has about as much weight to save Social Security as if we would have declared this month the month in which we would honor Girl Scouts for selling cookies.

It has no relevance at all. If you want to reduce the debt, just do not spend the money. In fact, even if you try to spend the money, one way to overcome it is if in fact you just waive points of order. The real issue, and an issue that my Republican colleagues unfortunately refuse to face is the $1.6 trillion tax cut that will probably be coming up in the next month or so. That is the real rub. That is what will endanger Social Security and Medicare in the long run.

The fact of the matter is the President is now talking about retroactively applying it. That will make the $1.6 trillion debt $2 trillion. Plus the loss of interest, we are probably talking about $2.5 trillion that will be reducing taxes over the next decade. The surplus will not sustain that. The fact of the matter is as we pay down the debt with the Social Security surplus, in the next 10 years we are going to have to increase the debt in order to pay the Social Security benefits that will not be available because of reductions, because the payroll tax will not match it. And as a result of that, the debt reduction in all of this is just temporary. If you are 65 years and younger, your Social Security benefits will be in jeopardy if in fact this tax bill is passed. Because anybody 65 and younger will probably be facing a situation in the next 10 years in which we are going to have to make a decision to increase payroll taxes, reduce Social Security benefits, or increase the national debt.

The reality is that this tax cut will be the key. It is not this resolution that has no weight, no force, and is somewhat irrelevant.

Mr. SESSIONS. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia Beach, Virginia (Mr. SCHROCK), a brand new Member of this body.

Mr. SCHROCK. I thank the gentleman from Texas for yielding time.

Mr. Speaker, I am very proud to be a lead sponsor of this legislation. Today

Congress has the ability to state our clear and unmistakable commitment to protect 100 percent of the Social Security and Medicare trust fund surpluses. Social Security and Medicare represents a sacred compact between the people and their government.

During my campaign for Congress, I listened carefully to constituents throughout my district. They told me that they wanted to make sure that when they retired, their Social Security would be there. They also wanted Congress to ensure that Medicare was solvent and would be there to help cover their medical expenses. By placing surplus trust fund moneys in a budgetary lockbox, we can pledge to all of our constituents that these funds will be available for current and future generations and pay down the national debt.

The Congressional Budget Office estimates that the Social Security surplus will be $2.5 trillion over the next 10 years and the Medicare hospital insurance surplus will total $392 billion. We must lock away this money from congressional appropriators and special interest groups and keep our promise to our seniors and all Americans. We have a duty to protect the money our constituents have paid into Social Security and Medicare.

If you oppose raiding the Social Security and Medicare trust fund and support securing these funds for current and future generations, then please support H.R. 2.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. MCNULTY).

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

Mr. Speaker, I am concerned. In the year 1980, the national debt was less than $1 trillion. Today it is $5.7 trillion, six times as much. I do not want to go back to the days of deficit spending. Let us look at the figures we are talking about in the budget proposal this year. We are estimating we will have a $5.6 trillion surplus in the next 10 years. I do not trust 1-year projections, let alone 10-year projections, but let us assume that that is correct. Today we are going to vote to subtract from that the Social Security and Medicare trust fund moneys of $2.9 trillion. In other words, we are going to say to the American people, ''We are going to stop stealing the money'' which we did for many, many years.

□ 1500

I think that bill will get almost unanimous support. So we are making a pledge there. That gets us down to $2.7 trillion. Then we start talking about this tax cut. I have only heard one person say that we will be able to stick to the $1.6 trillion. Almost everyone says it is going to cost a lot more than that. Just take the President's figure, and only subtracting $1.6 trillion, no interest, no implementation costs, nothing else, no retroactivity, and we get down to $1.1 trillion for the next 10 years to do everything.

There are people running around this town saying we are going to eliminate the national debt in 10 years. We are not even going to eliminate one-fifth of the national debt in the next 10 years. If you took the entire balance, and these are the administration figures, if you took the entire balance and applied it to the national debt, you would only be able to pay off one-fifth of the national debt, and there would be nothing left for any spending, for the President's programs or ours.

For the sake of our children and grandchildren, let us reduce the size of this tax cut and stay away from the days of deficit spending.

Mr. SESSIONS. Mr. Speaker, it is always wonderful when the opposition agrees with you. I appreciate that support today.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

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

Mr. GILMAN. Mr. Speaker, I rise in strong support of this measure and urge my colleagues to join supporting it. I commend the gentleman from Texas for bringing the measure to the floor at this time.

Mr. Speaker, this measure amends the 1974 Congressional Budget Act by establishing a lockbox mechanism to make certain that the surpluses in Social Security and Medicare part A, Federal Hospital Insurance Trust Fund, from being spent on additional government programs and tax cuts.

One of the key components of this legislation is to provide for a point of order to protect Social Security and Medicare part A surpluses in the House and in the Senate against any resolution, bill, motion, joint resolution, conference report or amendment whose enactment would cause an on-budget surplus to be less than the surplus of the Medicare part A surplus for the same given year.

The legislation makes it out of order in both the House and Senate to consider any budget resolution, bill, joint resolution, conference report or amendment whose enactment would cause an on-budget surplus for any fiscal year to be less than the project surplus of the Federal Hospital Insurance Trust Fund.

Mr. Speaker, for far too long, Congress has proclaimed its desire to protect Social Security for future generations, without following through with any actions to match the proclamations of support. This legislation will provide new budget procedures and parliamentary requirements to make certain that the promises to safeguard Social Security and Medicare will be kept.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I believe H.R. 2 is a good start, but I also do not believe that it goes far enough. I believe we all agree on the need for a lockbox for Social Security and Medicare. This bill has too many loopholes, too many keys, if you will, that can open the lockbox.

There is a lot of talk these days about surpluses, a lot of talk these days about the need for tax cuts. I support a tax cut for working families. There is not much talk, unfortunately, these days, about the debt, some $5 trillion.

When we talk about the surplus, let us not take Social Security and Medicare into account. Let us take it off the table.

Yesterday I was in southeast Arkansas, the Delta region, one of the poorest regions in the country. People young and old were telling me that they want the politicians to keep their hands off of Social Security and Medicare.

This is a personal issue with me. You see, my grandfather died when I was a year old. My grandmother first learned how to drive a car, she got her GED, and then she went to nursing school. She is 89 now. She is blind, and she lives from Social Security check to Social Security check.

That is why I, along with the gentleman from Kansas (Mr. MOORE), have offered an alternative, a meaningful lockbox initiative that protects both the Social Security and Medicare surpluses. It is H.R. 560. It has no loopholes; it has no keys to unlock the box. That is why it is supported by the National Committee to Preserve Social Security and Medicare, the Nation's second largest senior advocacy group.

If you truly want to protect Social Security and Medicare, then take the time to compare H.R. 2 with H.R. 560. If you do that, then I am convinced we will join together, like we are here today, and do the right thing by my grandmother and by seniors all across America.

Mr. SESSIONS. Mr. Speaker, I yield 4 minutes to the gentleman from Florida (Chairman SHAW).

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

Mr. Speaker, I appreciate the opportunity to express my support, unconditional support, for H.R. 2, the Social Security and Medicare Lock-Box Act of 2001.

Today Social Security protects 45 million Americans and provides one out of three seniors with their primary source of retirement income. According to the Social Security Administration, 39 percent of all seniors are lifted out of poverty because of their Social Security benefits. Clearly Social Security is one of the most successful and most important Federal programs ever created that we have today.

But Social Security is in trouble. In less than 15 years Social Security will spend more than it receives in taxes. By the year 2037, the trust funds will be absolutely empty; and the program will only pay less than three-fourths of its promised benefits. One of our most important priorities this year is to put

Social Security on sound financial footing so it can continue to pay full benefits far into the future and full benefits without increasing taxes to American workers.

H.R. 2, the Social Security and Medicare Lock-Box Act, is the first critical step towards saving Social Security for all time. This legislation prevents Congress from using the Social Security and Medicare surpluses to cut taxes or increase spending. The lockbox ensures that 100 percent of the Social Security surplus and 100 percent of the Medicare surplus are used to reduce the debt, until we enact legislation to save Social Security and Medicare.

Let me repeat: the full amount will go to pay down the debt until such time as a portion of that is used to save Social Security and Medicare.

The lockbox is important for three reasons: first, it ensures that we have the money to pay for Social Security and Medicare reform once reform plans are enacted; second, it promotes fiscal discipline by forcing the Congress to balance the budget, without relying on Social Security or Medicare surpluses; finally, the lockbox reduces our national debt, resulting in higher national savings, faster economic growth, and lower interest costs for our government.

I encourage all Members to show their commitment to Social Security and Medicare by supporting this most important act and then continue to work with us on the majority side to save Social Security for all time.

There have been a number of speeches that I have heard, mainly coming from the other side, one from my ranking member on the Subcommittee on Social Security, the gentleman from California (Mr. MATSUI), likening this somehow to Girl Scout cookies.

This is very important legislation. Does this save Social Security for all time? Absolutely not. It is just a first step. It keeps us from spending the surplus, so it will be there for us to work together on, whenever we can move the minority side to come aboard with us and work to save Social Security for all time.

Is it irrelevant? Of course, it is not irrelevant. It is very relevant, because how are we going to save Social Security if we are giving the surplus away in tax cuts or in new spending programs? It locks it away.

This is the right thing to do. This is the right time to do it. This is important legislation, but it is only a first step. I would encourage all Members to come aboard with us and to vote this most important first step towards Social Security reform. It would be a tragedy not to pass this bill, and not to pass it by an overwhelming vote of well over two-thirds, the amount necessary in order to pass this under suspension.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I would commend the majority's proposal, but for one reservation that I have. I am concerned that H.R. 2 contains a giant loophole that would allow the Medicare and Social Security surpluses to be spent for any purpose, so long as it is labeled ''reform.'' For the record, I want to be clear the term ''reform'' does not and should not include new programs, such as providing a prescription drug benefit under Medicare or changing Social Security to provide for private accounts.

The gentleman from Arkansas (Mr. ROSS) and I have introduced legislation that would correct this problem by entirely preventing the use of Social Security and Medicare trust funds, without exception, except for their intended purpose.

Mr. Speaker, I ask unanimous consent to remove from the Speaker's desk H.R. 560, legislation that would correct the problems of the bill and the loophole in the bill before us today.

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

Mr. SESSIONS. Mr. Speaker, I reserve the right to object.

Mr. Speaker, what I would like to ask is if we have a copy of this bill.

The SPEAKER pro tempore. Under the Speaker's guidelines, the Chair is not able to entertain the gentleman's request to consider the bill without appropriate clearance.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, retirement security is one of the most important challenges that we in Congress are going to face in the years to come. The amount of benefits provided to seniors in the not-too-distant future is going to exceed the amount of payroll taxes taken in. One of the reasons for that is because Americans are having smaller and smaller families, Americans are living longer and longer, and, under that scenario, protecting Social Security becomes absolutely essential. That is why I cosponsored H.R. 2, the Social Security and Medicare Lock-Box Act of 2001.

Mr. Speaker, what this bill does is establish a firewall to protect 100 percent of the Social Security and Medicare trust funds. Under this bill, the trust funds will not be spent on other government programs.

I think all of us know that for some 30 years or so money was borrowed out of the Social Security trust fund. Basically over the last few years, if you will recall, President Clinton said, ''Let's protect 60 percent of the funds in the trust fund.'' The Republicans in the House said, ''No, let's protect 100 percent.''

For the last few years, that is what we have done. We have set aside 100 percent of those excess FICA taxes that have gone into Social Security. But setting it aside for the here and now is not enough. We need legislation for the long-term, like this bill, to ensure that we put up that firewall so that it is not borrowed again in the future.

Now, in my view, Americans deserve to know that every penny taken out of their paychecks for Social Security and for Medicare will be used to pay for benefits. This legislation will help ensure that.

Furthermore, under this bill the Social Security and Medicare surpluses will be used to pay down the public debt until Social Security and Medicare reform is enacted. This will help lower the burden of debt placed on our children.

Mr. Speaker, I urge my colleagues to pass this legislation.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

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

Mr. Speaker, those who introduced H.R. 2 indeed had a good intent. I think all of us want to find a way to lock in the security for both Social Security as well as for Medicare. However, that bill is more illusionary than real, particularly when you compare it with H.R. 560, which the Democrats put in. It does not allow for the loophole.

This bill, therefore, is illusionary. Although well-intended, it does allow for you to spend the money on other things called ''reform.'' But, more pressing, is to consider that if you took that off of lockbox, took it off the budget, you are assuming you can still spend that, so you say, to the contrary, that you do not want to spend it for tax cuts.

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Take $1.6 trillion away from that, that suggestion, and we could not meet the needs of the American people and keep our commitment to lock those security funds aside.

So I urge Members to consider that this is well-intended but it will not achieve it. It is more illusory than for real.

Mr. SESSIONS. Mr. Speaker, I yield 2 minutes to the gentleman from Lexington, Kentucky (Mr. FLETCHER).

Mr. FLETCHER. Mr. Speaker, as we look back over the history of this body for 40 years, since the mid sixties we have been spending the money that individuals have paid in their payroll for Social Security and for Medicare. We have been spending it on other government programs.

I remember 2 years ago, my first year here in Congress, the gentleman from California proposed this and we began the first lockbox to set aside Social Security. I can remember some Members were making light of it and saying it was not a real lockbox, and it had a hole in the bottom of it.

That first year I was here 2 years ago we did not spend one penny of Social Security money. The lockbox worked. It kept us disciplined so we did not spend that Social Security. We did it last year with Medicare, and we are repeating it again this year.

Some folks are concerned that we have allowed the use of this Social Security money and Medicare money to

be used for reform. We have to face the fact that if we do not make some changes in improving and modernizing these programs to meet the needs of an aging population, we are going to run into serious problems. Sticking our head in the sand does not work. Using rhetoric for political reasons does not solve the problems we are going to be facing in the future.

I am proud we can support and hope we have bipartisan support for this bill to lock up both the Social Security trust fund and the Medicare trust fund for our future generations, and allow us to begin to look at improvements that will preserve these great programs for future generations.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey (Mr. HOLT).

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

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

Mr. Speaker, this issue is so important to me that on the first day of the new Congress I reintroduced my legislation that the body considered last term. The legislation would prohibit the spending of any projected budget surpluses until Social Security and Medicare are made solid for today's workers and today's children.

The legislation would ensure that the projected surplus associated would be off limits to Congress and used only for retiring the publicly-held debt; no new spending, no new tax cuts until we have dealt with this matter.

I am concerned that H.R. 2 is being brought up to the floor without possibility of amendment to deal with its gaping loophole. What this legislation's loophole is is to allow a tax cut or other bill if it is presented as Social Security reform.

Mr. Speaker, most young workers do not believe that they will get a dime from Social Security or Medicare. That is why we must assign the highest priority to shoring up these programs and restoring confidence.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, I rise today in support of this legislation. Mr. Speaker, 45,351,200 persons received Social Security benefits just this past year. About 63 percent of those people were seniors.

One must ask, has Social Security had an impact in particular to our seniors? When we take a look at the reason why Social Security was put in place, it was to help those seniors not be below the poverty line when they finished their work years.

In fact, if we look even just in California, my home State, we can see that this past year 30 percent of seniors were lifted out of poverty because of their Social Security benefits. Moreover, Social Security is important for women because, as we know, women make less, and women are out of the work force more often; they change jobs, they stay home to take care of families, so they really need this in their lean years at the back end of their lives.

I urge my colleagues to support this bill.

Mr. Speaker, I rise today in strong support of this important piece of legislation.

45,351,200 persons received Social Security benefits last year. Sixty-three percent of these people are retired workers.

We must ask ourselves, ''What impact has Social Security had on our Nation's Seniors?'' A study issued by the Center on Budget and Policy Priorities in Washington, DC shows that in 1997, 47.6% of the U.S. population age 65 and older would have been living below the poverty line in 1997 without Social Security benefits.

With Social Security, the poverty rate drops to 11.9%. This is a staggering statistic that demonstrates the impact of this program on our seniors nationwide.

In my home state of California, the same study showed that 43.2% of people age 65 and older would have been living below the poverty line without Social Security. Social Security reduces the number to 12.5%. Thus, 30.7% of all elders in California were lifted from poverty by Social Security.

Moreover, Social Security is particularly beneficial to women who receive 54% of Social Security retirement and survivor benefits. In 1997, Social Security benefits lowered the number of women living below the poverty line from 9.8 million to 2.7 million.

I urge my colleagues to pass this bill and establish a Social Security and Medicare lockbox. We need to pass this bill to ensure that our current and future seniors are provided the benefits they worked so hard to earn. We must continue to move forward to ensure that both programs are ready to meet the demands of the aging Baby Boom generation and beyond.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Speaker, I thank the gentleman from Ohio for yielding time to me.

Over 45 million seniors and over 30 million American citizens use Medicare and Social Security. At a time when we have record surpluses, we must make sure that we sustain those people and that we do what is right with the surplus. It is going to be impossible to put in a lockbox for Social Security and Medicare, and we should, and at the same time take care of health care, housing, and other needs, education, that the people of America want.

We need a lockbox, we need a tax cut, but they both must be responsible. We must save Social Security, we must protect Medicare. Let this House act accordingly and take care of the citizens of this country.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, this lockbox is leaking because the money can be used for other reform purposes. But I want to stress something else today, an inescapable big truth about the President's economic plan. The big truth is that the President has proposed a Mother Hubbard economic plan, a plan that leaves the cupboard bare.

Here is what I mean. We have an alleged surplus of $5.6 trillion. Today the House will vote to take $2.9 trillion off the table. So that leaves just $2.7 trillion for all the spending and tax relief for the next 10 years.

The President has two priorities for that money: a tax cut that will consist of $2.6 trillion, skewed largely to the wealthy, by the way; and a missile defense system that will cost at least $100 billion.

So that is it. It is all gone before we reach anything else. We have zero surplus for anything else; for prescription drugs, education, health insurance, zero.

Mr. Speaker, it is a Mother Hubbard plan. The wealthy get to take a tax cut picnic while the rest of this country faces an empty cupboard.

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

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

Mr. Speaker, today has been, once again, an exceptional job on behalf of my colleagues in the Democrat party, as well as my colleagues in the Republican party, who have once again approached a very difficult issue with the decision that rather than sticking our heads in the sand, we are going to talk about Social Security, we are going to talk about the things that not only Social Security does for America today and the people who are on Social Security, but also a belief, an abiding belief, that we can do something to make sure it is there for the future of this country.

I would remind my colleagues that the one part about this legislation that is fabulous is that there is an exception in the legislation that any bill that saves Social Security contains this phrase, that if a Member believes that a bill does not save Social Security or Medicare, he or she can always raise a point of order against any part of that legislation.

That is one of the wonderful parts about this bill that is good for all of us. It is a matter of whether we are going to spend the Social Security, or whether we are going to save it.

RE-REFERRAL OF H.R. 2 TO COMMITTEE ON BUDGET AND COMMITTEE ON RULES

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that the bill, H.R. 2, be re-referred to the Committee on the Budget, and in addition, to the Committee on Rules.

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

There was no objection.

Mr. FRELINGHUYSEN. Mr. Speaker, today I rise in support of H.R. 2, The Social Security and Medicare Lockbox Act of 2001. This legislation protects the $2.9 trillion Social Security and Medicare Trust Fund surplus from being used for any other government spending.

More importantly, this legislation reaffirms our commitment to ensuring a safe and secure retirement for current and future generations of Older Americans.

This legislation in effect creates a security ''lockbox'' to ensure that the FICA or payroll taxes we pay over the course of many years of hard work are used exactly as they are intended to be used—for Social Security and Medicare. This ''lockbox'' ensures our money is protected.

When I came to Congress in 1994, taxes were at an all time high, the budget was out of balance, deficit spending was soaring out of control and the Social Security and Medicare trust fund was being raided to pay for other government programs. To put it bluntly, our fiscal house was in shambles.

But what a difference a few years has made. Today, I am proud that we have balanced the federal budget, paid down over $363 billion dollars of the national debt and cut taxes, all the while protecting and preserving Social Security and Medicare.

Mr. Speaker, as we begin our work in the 107th Congress, the Federal government's projected cumulative surplus—some $5.7 trillion dollars over the next ten years—presents us with a historic and unprecedented opportunity to continue on a bipartisan course of fiscal discipline. Let's not look back at this moment as an era of missed opportunity.

In the coming days and months, there will be plenty of time to debate what to do with the remainder of the surplus. But before we engage in that debate, we must continue paying down the debt and make clear our commitment to ensuring that Social Security and Medicare will be available to current retirees as well as for our children and grandchildren. That's three generations of Americans that we will ensure have basic retirement security by preserving and protecting Social Security and Medicare. For the past two years, Congress has put aside Social Security and Medicare taxes so these monies aren't spent on other federal programs. With this ''lockbox'' legislation, Congress will be making these actions a permanent part of the budget process.

Mr. Speaker, I urge my colleagues to vote in favor of H.R. 2. Let us, today, give future generations of Americans the security of knowing that Social Security and Medicare will be there for them when they most need it.

Mrs. LOWEY. Mr. Speaker, I rise today in support of H.R. 2, the Social Security and Medicare Lockbox Act.

In this fortunate time of budget surpluses, it is imperative that we use the Social Security and Medicare trust funds to ensure the long-term viability of these critical programs. If we want to be truthful in our budgeting, then these funds should not and cannot be used to pay for other priorities.

I am nonetheless concerned about some of the provisions in the bill. It is my belief that these provisions make this lockbox legislation less than iron-clad. The bill stops the raid on Social Security and Medicare Trust Fund receipts ''until such time as medicare and social security reform legislation is enacted.

What this really means is that once we pass any legislation that constitutes Social Security or Medicare reform, even if the bill does not ensure the long-term solvency of Social Security or Medicare, we are free to use Social Security and Medicare Trust Fund money for whatever we choose.

The Congressional Budget Office (CBO) estimates that in the year 2012, there will be a major demographic shift in the United States. The Baby Boom generation will begin to retire and collect benefits under Social Security and Medicare. And, at the same time, the labor force will contract significantly, reducing the amount of money available to pay those benefits. As a result, the CBO projects that instead of the surpluses we now enjoy, we will suffer large budget deficits as we struggle to pay for these programs.

I support this legislation and I support the idea of Social Security and Medicare reform. But all the reform measures we pass won't mean anything unless we begin to devote resources now to ensure that there will be money available when Baby Boomers begin to retire. This bill is a good start. We need to do much more.

Mr. BENTSEN. Mr. Speaker, I rise in support of H.R. 2, the Social Security and Medicare Lockbox Act of 2001, the latest in a string of measures that the House has passed, with my support, to dedicate the Social Security and Medicare surpluses to public debt reduction until such time as the Social Security or Medicare reform legislation is enacted. Like H.R. 5173, which we passed overwhelmingly in September 2000, H.R. 2 would remove the Social Security surplus from the budget totals for the purposes of developing both the Congressional budget and the President's budget. H.R. 2 would also require the President's budget submission to include a detailed proposal for Social Security or Medicare reform legislation if it recommends an on-budget surplus for any fiscal year that is less than the surplus projected for the Medicare HI trust fund.

My support for H.R. 2 is not without reservations. I am disappointed that the Republican Leadership rushed this bill to the floor, it was introduced last Thursday (February 8, 2001), bypassing consideration in the committees of jurisdiction, including the House Budget Committee. Had H.R. 2 been properly considered in the House Budget Committee, I would have asked what protections are in place, under the bill, to prevent tax cut bills from gaining access to lockbox funds, simply by holding themselves out as Social Security or Medicare reform bills.

Additionally, as a longtime advocate for protecting Medicare, as well as Social Security, I am pleased to see the Republican Majority has joined me in recognizing the need to protect the Medicare surpluses from being used to finance tax cuts. While H.R. 2 would create points of order against spending and tax legislation that would cause a reduction in the portion of projected budget surpluses equal to Medicare trust fund surplus, I am, however, troubled that it stops short of taking Medicare ''off-budget.'' H.R. 2 only requires on-budget surpluses to be at least as large as any surplus in Part A of Medicare. At this time, with Congress abuzz with talk of tax cuts and incomprehensible surpluses, it is more important than ever that Medicare by taken off-budget.

Accordingly, Mr. Speaker, I urge my colleagues to not only join me in taking this step to secure Medicare but to also go further and take Medicare off-budget.

Mr. UDALL of Colorado. Mr. speaker, I will vote for this bill, in the hope that its other supporters are as serious as I am about protecting Social Security and Medicare.

Of course, that is what this bill is supposed to be about. But I think anyone who gives it a careful look will understand why I have my doubts.

On the one hand, the bill would establish the principle that Social Security and Medicare are to be off-limits when Congress makes decisions about federal revenues. It would do that by making it against the rules to consider measures that would invade the Social Security or Medicare surplus. Its sponsors say that this will put both Social Security and Medicare into a ''lockbox'' to keep them safe.

However, on the other hand there is some fine print in this bill suggesting that this ''lockbox'' is not all that secure.

In fact, when you read the bill carefully, it looks like this ''lockbox'' is more like the treasure cave in the story of Ali Baba and the Forty Thieves. Remember, the secret to opening that treasure cave was to know the passwords—''open, sesame.'' Well, it's exactly the same story here except that for this ''lockbox'' the passwords are ''Social Security reform legislation or Medicare reform legislation.''

Those are the passwords because under this bill the new rules to protect Social Security and Medicare will not apply to any bill that includes them.

If you doubt that it is that simple, just read the bill.

First it says that we will have these new rules—but then it says they ''shall not apply to social security reform legislation or medicare reform legislation.'' And it defines ''medicare reform legislation'' as a bill that ''includes a provision stating the following: For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes medicare reform legislation'' and also defines ''social security reform legislation'' as a bill that ''includes a provision stating the following: For purposes of section 316(a) of the Congressional Budget Act of 1974, this Act constitutes social security reform legislation.''

So, regardless of what else may be in a tax bill or a spending bill, if it includes those magic words the new rules won't apply—because those are the passwords that will open the ''lockbox.''

Is it any wonder that some of us have our doubts about whether the ''lockbox'' is real? Is it any wonder that we have some fears about the reliability of this promise to protect Social Security and Medicare?

Still, Mr. Speaker, today I will be guided by my hopes, not my fears.

I will vote for this bill, and I will hope that the promise of its title—''The Social Security and Medicare Lockbox Act'' is not a false one.

But, to rephrase Ronald Reagan, I think that the best policy is to hope now—by voting for this bill—but when the tax and spending bills come, to verify by making sure that we fulfill the promise of protecting Social Security and Medicare for the future.

Mr. NETHERCUTT. Mr. Speaker, The Social Security and Medicare Lock Box Act locks away the entire $2.9 trillion Social Security and Medicare surpluses, protecting it from increased government spending and tax cuts. I am proud to be part of the first Congress in thirty years which paid all the government's bills without raiding the Social Security Trust fund. This legislation guarantees that we continue to protect the surplus by creating a ''lock box'' which ensures that the surplus can be used only to pay beneficiaries.

Though the prognosis for the Social Security trust fund has improved with the strong economy, Social Security is still scheduled to begin drawing on the surplus by 2015 and the trust fund will be exhausted by 2037. It is Congress's duty to ensure that the surplus is there for senior citizens while we work to reform the program for future generations. I am proud to support the Social Security and Medicare Lockbox. Senior citizens, as well as all Americans deserve to know that their benefits will be there for them when they retire. I urge my colleagues to support this important legislation.

Mr. GREEN of Texas. Mr. Speaker, I rise today in support of H.R. 2, the Social Security and Medicare Lockbox Act. This legislation aims to protect the Social Security and Medicare trust funds by establishing points of order against bills that would produce a deficit in the non-Social Security portion of the budget.

While this legislation won't do any harm, it certainly won't do any good. There are gaping loopholes in this legislation which would allow for raiding the trust funds if it is done under the cloak of ''reform.'' But this bill is not serious about either reforming or protecting the Social Security and Medicare trusts funds.

In a few short years the baby boom generation will start to retire. The addition of these 75 million Americans is a looming threat to the Social Security and Medicare programs. Congress must act now to ensure the long-term solvency of these valuable programs. This bill is not a serious, long-term solution for our problems. Congress must make some very careful choices in the coming months about our budget surpluses, and how best to use them.

Anyone reading the papers in the last couple of days knows where the president stands on tax-cuts. Now, I support broad tax cuts. I think that we in Congress can work together to relieve the tax burdens of Americans. But I cannot support a tax-cut plan that endangers our economic stability, or the futures of the Social Security and Medicare programs.

According to some estimates, the president's plan could cost as much as $2.3 trillion over ten years. That's almost eighty-five percent the projected on-budget surplus. This plan leaves almost nothing behind to pay down the national debt, strengthen our national defense, improve our children's education, or, as we're aiming to do today, ensure the solvency of Social Security and Medicare.

Mr. Speaker, I assure you that this legislation will pass almost unanimously. All Members of Congress can agree that Social Security and Medicare funds should be spent only for those purposes, or for the purposes of paying off the national debt. But it's time to make some tough choices about the on-budget surplus, and whether or not Congress is serious about protecting Social Security and Medicare. We must do more than pay lip-service to these programs. Its time to put the on-budget surplus money where our mouth is.

Mr. LAFALCE. Mr. Speaker, I rise in support of H.R. 2, the Social Security and Medicare Lock-Box Act of 2001. In the midst of tax cut fever, when the federal government seems to be awash in black ink, this legislation serves as a sobering reminder that we are, in fact, facing a fiscal time bomb within the next twenty years. With the retirement of the baby boomer generation, we will face an unprecedented fiscal challenge, created largely by the demands on social Security and Medicare.

The Social Security and Medicare Lock Boxes draw a line in the sand, saying that, if we are to fund a large tax cut this year, then we must do so without raiding the Social Security and Medicare Trust Funds. Establishing this imperative for the current tax cut debate is absolutely critical. In recent weeks, some Republicans have been inching away from the commitment to protect the Medicare Trust Fund, led by statements from the Administration. But it is clear that Medicare faces the same long-term funding problems that face Social Security. In fact, Medicare will face them sooner than Social Security. Raiding the Medicare Trust Fund to pay for tax cuts, then, should be absolutely unacceptable to this Congress.

Some might argue that it is unreasonable to allow concerns of 20 years hence to have too much influence over today's policies. But this kind of thinking is akin to a family facing a balloon mortgage payment who nonetheless budgets nothing for it, and worse yet, goes on a spending spree in the years lending up to the balloon payment. Lest anyone doubt that we are facing a long-term fiscal crisis, consider this: today, the United States has 5 workers supporting each of its retirees; by 2030, we will have just 2 workers for every retiree. The fiscal implications of this demographic shift are enormous, and easily overwhelm the surplus numbers we have been debating the past few weeks.

Mr. Speaker, today's legislation is a good first step in acknowledging the true fiscal outlook. I hope we will also recognize the true costs associated with meeting the full obligations of Social Security and Medicare to all of tomorrow's retirees—costs that are daunting no matter what versions of Social Security and Medicare reform you favor. In recognizing these costs, it should be clear to everyone that the President's tax plan is simply not affordable.

Mr. CRENSHAW. Mr. Speaker, today, I am proud to join my colleagues in strong support of the Social Security and Medicare Lockbox Act.

We have a surplus of $5.6 trillion. And, $2.9 trillion of that surplus is money that people expect to be there for them when they apply for their Social Security and Medicare benefits.

For the past several years, Congress has locked these trust fund surpluses away through sound fiscal management, despite the absence of a passed lockbox bill. But the American public understands that passage of actual lockbox legislation is a solemn pledge between the Congress and the people that we will not touch those surpluses. And, we should make that pledge to our constituents.

Given the strength of the non-trust fund surplus—$2.7 trillion—we can well afford to do this and still meet the other needs of our constituents—providing them with much needed tax relief, paying down the debt, and reinvesting in important priorities like defense and education.

I am proud to be an original cosponsor of this legislation, and I urge my colleagues to pass H.R. 2 with a strong bipartisan vote.

Mr. WATTS of Oklahoma. Mr. Speaker, I rise today in strong support of the Social Security and Medicare ''Lockbox'' Act. This bill locks up the $2.9 trillion surplus from the Social Security and Medicare trust funds by prohibiting their use for non-Social Security purposes. As a result, it ensures that Congress will always devote 100 percent of the Social Security and Medicare surpluses to only those retirement programs.

Today, millions of elderly and disabled Americans rely on Social Security and Medicare to provide them with income, basic health insurance coverage, and retirement security. In fact, Medicare provides significant health insurance coverage for 39 million aged and disabled beneficiaries. Therefore, we need to make sure that our seniors receive these much needed services and benefits in the most efficient manner possible.

Because I believe that every working American should know unequivocally that Social Security and Medicare will be there for them when they retire, I am committed to making seniors a top priority by taking the necessary steps to improve their quality of life. Beginning with the Lockbox initiative, Congress can help protect our nations elderly from fraud and abuse, inadequate and poor health care services, and a false sense of retirement security.

After all, our seniors are a national resource that must be preserved to the best of our abilities. therefore, I urge you to join me in securing a future for our seniors by voting in favor of the Lockbox.

Mr. ADERHOLT. Mr. Speaker, I am pleased to join the gentleman from Texas as a cosponsor of H.R. 2, the Social Security and Medicare Lockbox Act of 2001.

Although today, the Social Security program is able to meet its requirements, we face the problem of fewer workers who pay into the Social Security system, while at the same time, the number of retirees eligible for Social Security benefits continues to increase.

I believe Congress and the new Administration can work together to safeguard and strengthen the integrity of the Social Security program. Our Nation's seniors rely on Social Security for approximately 40 percent of their income. Many depend on it for more.

Without a lockbox, approximately $2.9 trillion in projected Social Security and Medicare Part A surpluses over the next ten years could be spent on programs and initiatives which may do little, if any, to protect our Nation's seniors. H.R. 2 will ensure that these surpluses will be used only to strengthen Social Security and Medicare. Furthermore, protecting Social Security and Medicare makes it easier for the Treasury Department to reduce the public debt.

Mr. Speaker, I urge my colleagues to join me in passing H.R. 2.

Mr. SIMMONS. Mr. Speaker, I rise today in strong support of the Social Security and Medicare Lockbox Act of 2001.

For too many years, the Social Security and Medicare Trust Funds have been raided to pay for other government programs. This longstanding practice has jeopardized the solvency of two programs that millions of Americans depend on.

Today this practice will end.

Today, Republicans and Democrats will come together to stop the raid and commit to protecting 100 percent of the Social Security and Medicare Trust Fund surpluses, providing retirement and health security for our parents, our grandparents, and hopefully some day for our children.

All Americans deserve a Medicare and Social Security system that rewards their hard work, increases their independence and secures their future. H.R. 2 is a step toward this important goal.

I am proud to be an original cosponsor of the Social Security and Medicare Lockbox Act and ask that my colleagues join me in supporting this important piece of legislation.

Mr. STARK. Mr. Speaker, I rise in strong support for the purported purpose of this legislation before us today. We can and should ''lockbox'' our Social Security and Medicare surpluses so that monies put into them by the working people of America are used as they were intended—to provide financial and health security for them in their senior years or if they become disabled—not to provide a tax break aimed mostly at those with upper incomes.

Unfortuantely, the bill before us today talks the talk, but fails to walk the walk.

This bill will not guarantee that either the Social Security or Medicare surpluses are protected from being used to finance tax breaks or any other government spending.

While the bill states that it protects Medicare and Social Security trust funds, it creates a giant exception that if a bill is brought up on the House floor that contains the words ''Social Security reform legislation'' or ''Medicare reform legislation,'' then the protections for either trust fund no longer exist. It doesn't define what would constitute ''reform'' of either program. It would be very simple for anyone to circumvent the stated intent of this bill by simply referring to legislation as either Medicare or Social Security reform and then the protections against using the trust funds would be overridden. I could see the argument that a ''Star Wars'' missile defense system will protect seniors—therefore it is a Medicare reform.

The legislation contains a further loophole that allows the President to dip into the Social Security and/or Medicare surpluses in any budget he presents to Congress as long as the budget claims to reform each of the programs.

The public should not be fooled one moment. President Bush is pushing a tax cut proposal in Congress that he admits costs $1.6 trillion. The unstated reality is that the proposal costs $2.5 trillion by the time you count all of the pieces that he's left out of his early version, but that will be included in the end. The entire surplus over the next ten years—if you really protect Medicare and Social Security surpluses—is $2.7 trillion (and even that figure is highly speculative).

What am I leading up to? There is no way that this tax cut package can pass Congress and get signed into law in a way that leaves money for other government priorities like education, Medicare prescription drug coverage, improved Medicare solvency, or Social Security reform without putting the Medicare and Social Security trust funds on the chopping block.

Anyone who believes otherwise is fooling themselves and passage of this legislation today does nothing to change that fact.

Larry Lindsey, President Bush's chief economic advisor has already been asked whether government should dip into the Social Security surplus to make room for tax cuts and he responded: ''It's a question that needs to be asked.''

President Bush's Director of the Office of Management and Budget Mitch Daniels has already stated with regard to protecting the Medicare trust fund from any other use that he would be: ''very hesitant to treat those funds in the same way as we do in Social Security where I think it is in order.''

A February 5 Wall Street Journal article states that, ''The Bush Administration also won't wall off Medicare's current surpluses in a 'lockbox' . . . In fact, Mr. Daniels has said he's told his staff not to talk about a Medicare surplus.

Finally, Senate Majority Leader TRENT LOTT has yet to make a commitment on a Medicare lockbox. A recent BNA Daily Report for Executives, asked him about whether he'd decided to lockbox Medicare and he responded, ''We're going to think that through.''

I will vote for this legislation today. But, I do so with the firm knowledge that my vote—and that of every other member of the House of Representatives—really means nothing about whether we stand for protecting the Medicare and Social Security surpluses for their intended purposes. I hope that the weaknesses of the legislation are not intended and that this vote is a good faith commitment by my colleagues on the other side of the aisle to protect both the Social Security and Medicare surpluses from use for tax cuts or any other new spending. If that commitment is real, we've got a tough job in front of us to ensure that the upcoming tax cut debate doesn't absorb all available government monies—in addition to the Medicare and Social Security trust funds.

Mr. THOMAS M. DAVIS of Virginia. Mr. Speaker, I rise today in strong support of H.R. 2, the Social Security and Medicare Lock Box Act of 2001. I would also like to thank my colleague, Congressman WALLY HERGER, for taking the lead yet again in ensuring that common-sense measures are taken to preserve the Social Security and Medicare Part A programs for our senior citizens.

Currently, both the Social Security and Medicare Part A programs take in more revenue through taxes and premiums than they pay out in benefits. This has resulted in large surpluses in both Trust Funds, estimated to be $157 billion for Social Security and $29 billion for Medicare. However, as the Baby Boom generation reaches retirement age, the situation changes significantly. Over the coming years we will see a decrease in the ratio of workers to beneficiaries from 5-to-1 to 2-to-1, causing a precipitous decline in the amounts held in both Trust Funds. By the year 2037, it is estimated that the combined Social Security Trust Funds will be depleted, with revenues only sufficient to pay about 72 percent of benefits. The situation for Medicare is even more dire, with the Part A Trust Fund projected to be depleted by 2025.

We cannot simply put off the difficult decisions for a later day. It is clear that we can enact significant reforms now that are necessary to keep Social Security and Medicare solvent for the future. It is also evident that while this is a challenging task in and of itself, it will be even more difficult, if not impossible, if we allow the surpluses that we currently have to be raided for other government spending. To this end, H.R. 2 creates a lockbox by creating a point of order against any bill, joint resolution, amendment, motion, or conference report that would raid either the Social Security or Medicare Trust Fund. This lockbox ensures that the Trust Fund surpluses will only be used to further pay down our national debt or to strengthen these vital programs for our children and grandchildren. This is a modest, common-sense step to help preserve social security benefits for future retirees.

We have an obligation to keep our promises to our senior citizens. They have paid into Social Security and Medicare over the course of their working lives in the expectation that these benefits would be there to help support them in their later years. We do them a severe injustice if financial mismanagement on our part robs them of the security they deserve. By approving H.R. 2, we will show the American people that we remain committed to saving these invaluable programs. It is for this reason that I urge my colleagues to lend it their full support.

Mr. SCHIFF. Mr. Speaker, I rise in support of the Social Security and Medicare Safe Deposit Lockbox Act.

Passage of this legislation will make certain that the Social Security and Medicare surpluses are protected in a ''lock-box'' and are not affected by spending increases and tax cuts. However, the Medicare surplus is not taken off-budget by this bill and therefore is not ensured the same protection as the Social Security surplus under current budget rules. This is a critical flaw in this bill and I do not believe that H.R. 2 alone will solve the long-term challenges facing Medicare. Nevertheless, I support passage of the Social Security and Medicare Safe Deposit Lockbox Act of 2001 and will remain committed to protecting these surpluses.

I believe it is absolutely essential that we maintain our fiscal discipline and continue paying down our debt. We must provide resources to deal with long term problems facing Social Security and Medicare, while making room for targeted tax cuts and investments in priority programs.

I am also proud to have joined my colleagues, MIKE ROSS and DENNIS MOORE, in introducing H.R. 560, a bill that would take Medicare off-budget, giving it the same protected status as Social Security, and would lock away Medicare surpluses unless they are to be used for current Medicare programs. While I support the bill before us, our bill has a much stronger enforcement mechanism and would be even more difficult, if not impossible, to violate.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 2, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

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

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until approximately 6 p.m.

Accordingly (at 3 o'clock and 25 minutes p.m.), the House stood in recess until approximately 6 p.m.

□ 1800

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SIMPSON) at 6 p.m.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 554, RAIL PASSENGER DISASTER FAMILY ASSISTANCE ACT OF 2001

Mr. GOSS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–1) on the resolution (H. Res. 36) providing for consideration of the bill (H.R. 554) to establish a program, coordinated by the National Transportation Safety Board, of assistance to families of passengers involved in rail passenger accidents, which was referred to the House Calendar and ordered to be printed.

CONGRATULATING PRIME MINISTER-ELECT OF ISRAEL, ARIEL SHARON

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 34, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. HYDE) that the House suspend the rules and agree to the resolution, House Resolution 34, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 410, nays 1, answered ''present'' 1, not voting 20, as follows:

[Roll No. 12]

YEAS—410

Abercrombie	Blunt	Clayton
Aderholt	Boehlert	Clement
Akin	Boehner	Clyburn
Allen	Bonilla	Coble
Andrews	Borski	Collins
Armey	Boswell	Combest
Baca	Boucher	Condit
Bachus	Boyd	Conyers
Baird	Brady (PA)	Costello
Baker	Brady (TX)	Cox
Baldacci	Brown (OH)	Coyne
Baldwin	Brown (SC)	Cramer
Ballenger	Bryant	Crane
Barcia	Burr	Crenshaw
Barr	Buyer	Crowley
Barrett	Callahan	Cubin
Bartlett	Calvert	Culberson
Barton	Camp	Cummings
Bass	Cannon	Cunningham
Bentsen	Cantor	Davis (CA)
Bereuter	Capito	Davis (FL)
Berkley	Capuano	Davis (IL)
Berman	Cardin	Davis, Jo Ann
Berry	Carson (IN)	Davis, Thomas M.
Biggert	Carson (OK)	Deal
Bilirakis	Castle	DeFazio
Bishop	Chabot	DeGette
Blagojevich	Chambliss	Delahunt
Blumenauer	Clay	DeLauro
DeLay	Johnson, Sam	Pelosi
DeMint	Jones (NC)	Pence
Deutsch	Jones (OH)	Peterson (MN)
Diaz-Balart	Kanjorski	Peterson (PA)
Dicks	Kaptur	Petri
Dingell	Keller	Phelps
Doggett	Kelly	Pickering
Dooley	Kennedy (MN)	Pitts
Doyle	Kennedy (RI)	Platts
Dreier	Kerns	Pombo
Duncan	Kildee	Pomeroy
Dunn	Kilpatrick	Portman
Edwards	Kind (WI)	Price (NC)
Ehlers	King (NY)	Pryce (OH)
Ehrlich	Kingston	Putnam
Emerson	Kirk	Quinn
Engel	Kleczka	Radanovich
English	Knollenberg	Ramstad
Eshoo	Kolbe	Rangel
Etheridge	Kucinich	Regula
Evans	LaFalce	Rehberg
Everett	LaHood	Reyes
Farr	Lampson	Reynolds
Ferguson	Langevin	Riley
Filner	Lantos	Rivers
Flake	Largent	Rodriguez
Fletcher	Larsen (WA)	Roemer
Foley	Larson (CT)	Rogers (KY)
Ford	Latham	Rogers (MI)
Fossella	LaTourette	Ros-Lehtinen
Frank	Leach	Ross
Frelinghuysen	Lee	Rothman
Frost	Levin	Roukema
Gallegly	Lewis (CA)	Roybal-Allard
Ganske	Lewis (GA)	Royce
Gekas	Lewis (KY)	Rush
Gibbons	Linder	Ryan (WI)
Gilchrest	Lipinski	Ryun (KS)
Gillmor	LoBiondo	Sabo
Gilman	Lofgren	Sanchez
Gonzalez	Lucas (KY)	Sanders
Goode	Lucas (OK)	Sandlin
Goodlatte	Luther	Sawyer
Goss	Maloney (CT)	Saxton
Graham	Maloney (NY)	Scarborough
Granger	Manzullo	Schaffer
Graves	Markey	Schakowsky
Green (TX)	Mascara	Schiff
Green (WI)	Matheson	Schrock
Greenwood	Matsui	Scott
Grucci	McCarthy (MO)	Sensenbrenner
Gutierrez	McCarthy (NY)	Serrano
Gutknecht	McCollum	Sessions
Hall (OH)	McCrery	Shadegg
Hall (TX)	McDermott	Shaw
Hansen	McGovern	Shays
Harman	McHugh	Sherman
Hart	McInnis	Sherwood
Hastings (FL)	McIntyre	Shows
Hastings (WA)	McKeon	Simmons
Hayes	McNulty	Simpson
Hayworth	Meehan	Sisisky
Hefley	Meek (FL)	Skeen
Herger	Meeks (NY)	Skelton
Hill	Menendez	Slaughter
Hilleary	Mica	Smith (MI)
Hilliard	Millender-McDonald	Smith (NJ)
Hinchey	Miller (FL)	Smith (TX)
Hinojosa	Miller, Gary	Smith (WA)
Hobson	Mink	Snyder
Hoeffel	Moakley	Solis
Hoekstra	Mollohan	Spence
Holden	Moore	Spratt
Holt	Moran (KS)	Stark
Honda	Moran (VA)	Stearns
Hooley	Morella	Stenholm
Horn	Murtha	Strickland
Hostettler	Myrick	Stump
Houghton	Nadler	Stupak
Hoyer	Napolitano	Sununu
Hulshof	Neal	Sweeney
Hunter	Nethercutt	Tancredo
Hutchinson	Ney	Tanner
Hyde	Northup	Tauscher
Inslee	Norwood	Tauzin
Isakson	Nussle	Taylor (MS)
Israel	Oberstar	Taylor (NC)
Issa	Obey	Terry
Istook	Olver	Thomas
Jackson (IL)	Osborne	Thompson (CA)
Jackson-Lee (TX)	Ose	Thompson (MS)
Jefferson	Otter	Thornberry
Jenkins	Owens	Thune
John	Oxley	Thurman
Johnson (CT)	Pallone	Tiahrt
Johnson (IL)	Pascrell	Tiberi
Johnson, E. B.	Pastor	Tierney
	Payne	Toomey
		Towns
		Traficant
		Turner
		Udall (CO)
		Udall (NM)
		Upton
		Velazquez
		Visclosky
		Vitter
		Walden
		Walsh
		Wamp
		Waters
		Watkins
		Watt (NC)
		Watts (OK)
		Waxman
		Weiner
		Weldon (FL)
		Weldon (PA)
		Weller
		Wexler
		Whitfield
		Wicker
		Wilson
		Wolf
		Woolsey
		Wu
		Wynn
		Young (FL)

NAYS—1

Paul

ANSWERED ''PRESENT''—1

Rahall

NOT VOTING—20

Ackerman	Cooksey	Miller, George
Becerra	Doolittle	Ortiz
Bonior	Fattah	Rohrabacher
Bono	Gephardt	Shimkus
Brown (FL)	Gordon	Souder
Burton	Lowey	Young (AK)
Capps	McKinney	

□ 1823

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mrs. CAPPS. Mr. Speaker, I was unavoidably detained on rollcall vote No. 12. Had I been here I would have voted ''yea.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SIMPSON). Pursuant to clause 8 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting on the additional motion to suspend the rules on which the Chair has postponed further proceedings.

SOCIAL SECURITY AND MEDICARE LOCK-BOX ACT OF 2001

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 2, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. SESSIONS) that the House suspend the rules and pass the bill, H.R. 2, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 407, nays 2, answered ''present'' 4, not voting 19, as follows:

[Roll No. 13]

YEAS—407

Abercrombie	Baldwin	Berman
Aderholt	Ballenger	Berry
Akin	Barcia	Biggert
Allen	Barr	Bilirakis
Andrews	Barrett	Bishop
Armey	Bartlett	Blagojevich
Baca	Barton	Blumenauer
Bachus	Bass	Blunt
Baird	Bentsen	Boehlert
Baker	Bereuter	Boehner
Baldacci	Berkley	Bonilla

Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Thomas M.
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shows
Simmons
Simpson
Sisisky
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solis
Spence
Spratt
Stark
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
Tiberi
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—2

Filner
Nadler

ANSWERED ''PRESENT''—4

Hinchey
Mink
Sabo
Snyder

NOT VOTING—19

Ackerman
Becerra
Bonior
Bono
Brown (FL)
Burton
Cooksey
Doolittle
Gephardt
Gordon
Lowey
McKinney
Miller, George
Ortiz
Payne
Shimkus
Smith (MI)
Souder
Young (AK)

□ 1833

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: ''To establish a procedure to safeguard the surpluses of the Social Security and Medicare hospital insurance trust funds.''.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, during rollcall votes Nos. 12 and 13 I was unavoidably detained. Had I been here I would have voted ''yea'' on rollcall vote No. 12 and ''yea'' on rollcall vote No. 13.

JOINT SESSION OF THE CONGRESS—STATE OF THE UNION MESSAGE

Mr. PORTMAN. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 28) and ask for its immediate consideration.

The SPEAKER pro tempore (Mr. SIMPSON). The Clerk will report the concurrent resolution.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 28

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Tuesday, February 27, 2001, at 9 p.m., for the purpose of receiving such communication as the President of the United States shall be pleased to make to them.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF MEMBER TO COMMITTEE ON FINANCIAL SERVICES AND COMMITTEE ON GOVERNMENT REFORM

Mr. FROST. Mr. Speaker, I offer a resolution (H. Res. 37) and ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 37

Resolved, That the following named Member be, and is hereby, elected to the following standing committees of the House of Representatives:

Committee on Financial Services: Mr. Sanders of Vermont;

Committee on Government Reform: Mr. Sanders of Vermont.

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

There was no objection.

The resolution was agreed.

A motion to reconsider was laid on the table.

MAKING IN ORDER ON WEDNESDAY, FEBRUARY 14, 2001 A MOTION TO SUSPEND THE RULES

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that it be in order at any time on the legislative day of Wednesday, February 14, 2001, for the Speaker to entertain a motion that the House suspend the rules relating to H.R. 524.

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

There was no objection.

MAKING IN ORDER ON WEDNESDAY, FEBRUARY 14, 2001 CONSIDERATION OF H.R. 559, RAIL PASSENGER DISASTER FAMILY ASSISTANCE ACT

Mr. PORTMAN. Mr. Speaker, I ask unanimous consent that it be in order at any time on the legislative day of Wednesday, February 14, 2001, without intervention of any point of order, to consider in the House H.R. 559; that the bill be considered as read for amendment; and that the previous question be considered as ordered on the bill to final passage without intervening motion except for 1 hour of debate, equally divided and controlled by the chairman and ranking member of the Committee on Transportation and Infrastructure and one motion to recommit.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order

of the House, the following Members will be recognized for 5 minutes each.

INTRODUCTION OF FEDERAL JUDICIAL FAIRNESS ACT OF 2001

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois (Mrs. BIGGERT) is recognized for 5 minutes.

Mrs. BIGGERT. Mr. Speaker, I rise today to introduce the Federal Judicial Fairness Act of 2001.

This morning, the American Bar Association and the Federal Bar Association released a report detailing a fundamental problem that has been escalating over the past decade, the erosion of fair and adequate compensation for the Federal judiciary.

These two well-respected groups found that the current salaries of Federal judges have reached such a level of inadequacy and quality that the independence of the third branch of our Federal Government is threatened. I agree with these findings.

Since 1993, Congress has granted Federal judges only three of a possible nine cost-of-living adjustments, leaving our judges with a 13.4 percent decline in purchasing power. Not coincidentally, 54 Federal District Court and Circuit Court judges have left the bench in the 1990s, compared to only three during the entire 1960s.

Yes, the salaries of Federal judges are higher than the average salary in many occupations. But, yes, the salaries that our Federal judges could earn in the private sector could be exponentially higher than what they earn as judges.

No individual agrees to serve in the Federal judiciary because of the pay. Individuals seek and accept nominations to the bench because they want to serve their country. But this does not mean that they should forego fair compensation for their critical work. It should be Congress' goal to ensure that the judges can afford to commit to public service and make certain that the judiciary is not open only to those with the financial means to do so.

Absent a change in the way we compensate these judges, I fear that the superior quality of our Federal judicial system may deteriorate over time.

This is why I am introducing the Federal Judiciary Fairness Act. The bill restores the six cost-of-living adjustments that Congress failed to grant the Federal judiciary in the 1990s, amounting to an immediate 9.6 percent salary increase.

My bill also fixes the annual pay adjustment problems for Federal judges. Unlike other Federal employees, Members of Congress and the President's Cabinet, Federal judges receive a COLA only if Congress specifically authorizes it. Under the Federal Judiciary Fairness Act, Federal judges will receive an annual COLA not subject to the approval of Congress. The size of the COLA would be determined by the Employment Cost Index, but it would not be larger than one received by other Federal employees under the General Schedule pay rate.

Together, these provisions will do much to remedy a problem, disparity in pay between the private and public sectors, that plagues one of the three branches of the Federal Government. But, Mr. Speaker, this legislation is about more than just fairly compensating the individuals who sit on the Federal bench. We must ensure that our Federal judiciary can attract and retain the best and the brightest. Passing the Federal Judicial Fairness Act is a small but important step in achieving this goal.

I want to thank my colleagues, the gentleman from Mississippi (Mr. WICKER) and the gentleman from Virginia (Mr. DAVIS), for agreeing to be original cosponsors of this legislation; and I urge all my colleagues to support the Federal Judicial Fairness Act.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. UNDERWOOD) is recognized for 5 minutes.

(Mr. UNDERWOOD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, many government and Federal Reserve officials have repeatedly argued that we have no inflation to fear; yet those who claim this define inflation as rising consumer and producer prices. Although inflation frequently leads to price increases, we must remember that the free market definition of inflation is the increase in supply of money and credit.

Monetary inflation is seductive in that it can cause great harm without significantly affecting government price indices.

□ 1845

The excess credit may well go into the stock market and real estate speculation, with consumer price increases limited to such things as energy, repairs, medical care and other services. One should not conclude, as so many have in the past decade, that we have no inflation to worry about. Imbalances did develop with the 1990s monetary inflation, but were ignored. They are now becoming readily apparent as sharp adjustments take place, such as we have seen in the past year with the NASDAQ.

When one is permitted to use rising prices as the definition for inflation, it is followed by a nonsensical assumption that a robust economy is the cause for rising prices. Foolish conclusions of this sort lead our economic planners and Federal Reserve officials to attempt to solve the problem of price and labor cost inflation by precipitating an economic slowdown.

Such a deliberate policy is anathema to a free market economy. It is always hoped that the planned economic slowdown will not do serious harm, but this is never the case. The recession, with rising prices, still comes. That is what we are seeing today.

Raising interest rates six times in 1999 to 2000 has had an effect, and the central planners are now worried. Falsely, they believe that if only the money spigot is once again turned on, all will be well. That will prove to be a pipe dream. It is now recognized that indeed the economy has sharply turned downward, which is what was intended. But can the downturn be controlled? Not likely. And inflation, by even the planners' own definition, is raising its ugly head.

For instance, in the fourth quarter of last year, labor costs rose at an annualized rate of 6.6 percent, the biggest increase in 9 years. What is happening to employment conditions? They are deteriorating rapidly. Economist Ed Hyman reported that 270,000 people lost their jobs in January, a 678 percent increase over a year ago.

A growing number of economists are now doubtful that private growth will save us from the correction that many free market economists predicted would come as an inevitable consequence of the interest rate distortion that Federal Reserve policy causes.

Instead of blind faith in the Federal Reserve to run the economy, we should become more aware of Congress' responsibility for maintaining a sound dollar and removing the monopoly power of our central bank to create money and credit out of thin air, and to fix short-term interest rates, which is the real cause of our economic downturns.

Between 1995 and today, Greenspan increased the money supply, as measured by MZM, by $1.9 trillion, or a 65 percent increase. There is no reason to look any further for the explanation of why the economy is slipping, with labor costs rising, energy costs soaring, and medical and education costs skyrocketing, while the stock market is disintegrating.

Until we look at the unconstitutional monopoly power the Federal Reserve has over money and credit, we can expect a continuation of our problems. Demanding lower interest rates is merely insisting the Federal Reserve deliberately create even more credit, which caused the problem in the first place. We cannot restore soundness to the dollar by debasing the dollar, which is what lowering interest rates is all about, printing more money.

When control is lost in a sharp downturn, dealing with it by massive monetary inflation may well cause something worse than the stagflation that we experienced in the 1970s; an inflationary recession or depression could result.

This need not happen, and will not if we demand that our dollar not be casually and deliberately debased by our unaccountable Federal Reserve.

THE BUDGET FOR DEFENSE

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, for the most part, Congress looks at national defense with a bipartisan eye. I am proud to say that I have served with five chairmen of the Committee on Armed Services of both parties and of various viewpoints. The number of substantive disagreements on matters of national security have been rewardingly few.

That is why so many of my colleagues and I were encouraged to see both candidates for President urging increases in funding for national defense. That is why President Bush and Vice President CHENEY's declaration that help is on the way sounded welcome to many congressional ears.

That is also why it does not sit too well with us to hear that the President has now decided that no increase is needed, either for next year's budget or to pay the bills already clogging the Pentagon's in-box. I have to say that it probably does not sit too well with a lot of the military officers who broke tradition to publicly endorse the President, either.

But the issue is not ''I told you so.'' It is, instead, about how are we going to get our parents, siblings, and children who are in uniform the resources they need to do their jobs.

The world is an unstable place, and the United States cannot afford to ignore any part of it. That is why our military is working so hard. That is why the cost of keeping our people trained, fed, and properly equipped is so high. We do not get good people by neglecting their needs.

An immediate supplemental appropriation to cover last year's activity and a responsive budget to meet the Nation's needs in the year ahead are both part of the price of American leadership. Delay paying that bill and training stops, ammunition runs out, and good people decide to say good-bye to the service.

Already, the Army reports that it is essentially out of 9-millimeter ammunition used in personal sidearms, and they have cut training because of it. Our commander in Europe, General Ralston, recently told me he has received word to curtail training because the money is running out.

Just this week, a new report indicates that the Navy's top fighters cannot meet their wartime schedules, again because of insufficient resources. In Washington, resources is spelled ''m-o-n-e-y.''

Troops that cannot train, planes that cannot fly, and an army out of bullets, if that does not justify supplemental funding, I am not sure what does. I do not believe we can afford any of those consequences. If the President wants to reconsider some of the high-cost programs that interfere with our ability to take care of America's soldiers, sailors, airmen, and marines, that is his prerogative. He has announced a review to do so.

But it is not realistic for him to say, stop the world, America wants to get off. The world will not wait for our strategic review. Neither will the creditors, the men and women in uniform to whom the bills are owed. Without the support that it deserves and that was promised, our military cannot do its job. That, Mr. Speaker, makes nobody proud.

It is not partisan to say that we are disappointed. I know the Members on both sides of the aisle would applaud if the President were to reconsider his decision and make our service people whole. That is not only making good on a promise, it is just the right thing to do.

PUBLICATION OF THE RULES OF THE COMMITTEE ON GOVERNMENT REFORM 107TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I am submitting the attached Committee on Government Reform rules for the 107th Congress for publication in the CONGRESSIONAL RECORD pursuant to House Rule XI, Clause 2(a)(2). These rules were adopted by the Committee on February 8, 2001.

I. RULES OF THE COMMITTEE ON GOVERNMENT REFORM

U.S. House of Representatives

107th Congress

Rule XI, clause 1(a)(1)(A) of the House of Representatives provides:

Except as provided in subdivision (B), the Rules of the House are the rules of its committees and subcommittees so far as applicable.

(B) A motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, each shall be privileged in committees and subcommittees and shall be decided without debate.

Rule XI, clause 2(a)(1) of the House of Representatives provides, in part:

Each standing committee shall adopt written rules governing its procedures. * * *

In accordance with this, the Committee on Government Reform, on February 8, 2001, adopted the rules of the committee:

Rule 1.—Application of Rules

Except where the terms ''full committee'' and ''subcommittee'' are specifically referred to, the following rules shall apply to the Committee on Government Reform and its subcommittees as well as to the respective chairmen.

[See House Rule XI, 1.]

Rule 2.—Meetings

The regular meetings of the full committee shall be held on the second Tuesday of each month at 10 a.m., when the House is in session. The chairman is authorized to dispense with a regular meeting or to change the date thereof, and to call and convene additional meetings, when circumstances warrant. A special meeting of the committee may be requested by members of the committee following the provisions of House Rule XI, clause 2(c)(2). Subcommittees shall meet at the call of the subcommittee chairmen. Every member of the committee or the appropriate subcommittee, unless prevented by unusual circumstances, shall be provided with a memorandum at least three calendar days before each meeting or hearing explaining (1) the purpose of the meeting or hearing; and (2) the names, titles, background and reasons for appearance of any witnesses. The ranking minority member shall be responsible for providing the same information on witnesses whom the minority may request.

[See House Rule XI, 2 (b) and (c).]

Rule 3.—Quorums

A majority of the members of the committee shall form a quorum, except that two members shall constitute a quorum for taking testimony and receiving evidence, and one-third of the members shall form a quorum for taking any action other than the reporting of a measure or recommendation. If the chairman is not present at any meeting of the committee or subcommittee, the ranking member of the majority party on the committee or subcommittee who is present shall preside at that meeting.

[See House Rule XI, 2(h).]

Rule 4.—Committee Reports

Bills and resolutions approved by the committee shall be reported by the chairman following House Rule XIII, clauses 2–4.

A proposed report shall not be considered in subcommittee or full committee unless the proposed report has been available to the members of such subcommittee or full committee for at least three calendar days (excluding Saturdays, Sundays, and legal holidays, unless the House is in session on such days) before consideration of such proposed report in subcommittee or full committee. Any report will be considered as read if available to the members at least 24 hours before consideration, excluding Saturdays, Sundays, and legal holidays unless the House is in session on such days. If hearings have been held on the matter reported upon, every reasonable effort shall be made to have such hearings available to the members of the subcommittee or full committee before the consideration of the proposed report in such subcommittee or full committee. Every investigative report shall be approved by a majority vote of the committee at a meeting at which a quorum is present.

Supplemental, minority, or additional views may be filed following House Rule XI, clause 2(l) and Rule XIII, clause 3(a)(1). The time allowed for filing such views shall be three calendar days, beginning on the day of notice, but excluding Saturdays, Sundays, and legal holidays (unless the House is in session on such a day), unless the committee agrees to a different time, but agreement on a shorter time shall require the concurrence of each member seeking to file such views.

An investigative or oversight report may be filed after sine die adjournment of the last regular session of Congress, provided that if a member gives timely notice of intention to file supplemental, minority or additional views, that member shall be entitled to not less that seven calendar days in which to submit such views for inclusion with the report.

Only those reports approved by a majority vote of the committee may be ordered printed, unless otherwise required by the Rules of the House of Representatives.

Rule 5.—Proxy Votes

In accordance with the Rules of the House of Representatives, members may not vote

Only those reports approved by a majority vote of the committee may be ordered printed, unless otherwise required by the Rules of the House of Representatives.

Rule 5.—Proxy Votes

In accordance with the Rules of the House of Representatives, members may not vote by proxy on any measure or matter before the committee or any subcommittee.

[See House Rule XI, 2(f).]

Rule 6.—Record Votes

A record vote of the members may be had upon the request of any member upon approval of a one-fifth vote.

[See House Rule XI, 2(e).]

Rule 7.—Record of Committee Actions

The committee staff shall maintain in the committee offices a complete record of committee actions from the current Congress including a record of the rollcall votes taken at committee business meetings. The original records, or true copies thereof, as appropriate, shall be available for public inspection whenever the committee offices are open for public business. The staff shall assure that such original records are preserved with no unauthorized alteration, additions, or defacement.

[See House Rule XI, 2(e).]

Rule 8.—Subcommittees; Referrals

There shall be eight subcommittees with appropriate party ratios that shall have fixed jurisdictions. Bills, resolutions, and other matters shall be referred by the chairman to subcommittees within two weeks for consideration or investigation in accordance with their fixed jurisdictions. Where the subject matter of the referral involves the jurisdiction of more than one subcommittee or does not fall within any previously assigned jurisdiction, the chairman shall refer the matter as he may deem advisable. Bills, resolutions, and other matters referred to subcommittees may be reassigned by the chairman when, in his judgement, the subcommittee is not able to complete its work or cannot reach agreement therein. In a subcommittee having an even number of members, if there is a tie vote with all members voting on any measure, the measure shall be placed on the agenda for full committee consideration as if it had been ordered reported by the subcommittee without recommendation. This provision shall not preclude further action on the measure by the subcommittee.

[See House Rule XI, 1(a)(2).]

Rule 9.—Ex Officio Members

The chairman and the ranking minority member of the committee shall be ex officio members of all subcommittees. They are authorized to vote on subcommittee matters; but, unless they are regular members of the subcommittee, they shall not be counted in determining a subcommittee quorum other than a quorum for taking testimony.

Rule 10.—Staff

Except as otherwise provided by House Rule X, clauses 6, 7 and 9, the chairman of the full committee shall have the authority to hire and discharge employees of the professional and clerical staff of the full committee and of subcommittees.

Rule 11.—Staff Direction

Except as otherwise provided by House Rule X, clauses 6, 7 and 9, the staff of the committee shall be subject to the direction of the chairman of the full committee and shall perform such duties as he may assign.

Rule 12.—Hearing Dates and Witnesses

The chairman of the full committee will announce the date, place, and subject matter of all hearings at least one week before the commencement of any hearings, unless he determines, with the concurrence of the ranking minority member, or the committee determines by a vote, that there is good cause to begin such hearings sooner. So that the chairman of the full committee may coordinate the committee facilities and hearings plans, each subcommittee chairman shall notify him of any hearing plans at least two weeks before the date of commencement of hearings, including the date, place, subject matter, and the names of witnesses, willing and unwilling, who would be called to testify, including, to the extent he is advised thereof, witnesses whom the minority members may request. The minority members shall supply the names of witnesses they intend to call to the chairman of the full committee or subcommittee at the earliest possible date. Witnesses appearing before the committee shall so far as practicable, submit written statements at least 24 hours before their appearance and, when appearing in a non-governmental capacity, provide a curriculum vitae and a listing of any Federal Government grants and contracts received in the previous fiscal year.

[See House Rules XI, 2 (g)(3), (g)(4), (j) and (k).]

Rule 13.—Open Meetings

Meetings for the transaction of business and hearings of the committee shall be open to the public or closed in accordance with Rule XI of the House of Representatives.

[See House Rules XI, 2 (g) and (k).]

Rule 14.—Five-Minute Rule

(1) A committee member may question a witness only when recognized by the chairman for that purpose. In accordance with House Rule XI, clause 2(j)(2), each committee member may request up to five minutes to question a witness until each member who so desires has had such opportunity. Until all such requests have been satisfied, the chairman shall, so far as practicable, recognize alternately based on seniority of those majority and minority members present at the time the hearing was called to order and others based on their arrival at the hearing. After that, additional time may be extended at the direction of the chairman.

(2) The chairman, with the concurrence of the ranking minority member, or the committee by motion, may permit an equal number of majority and minority members to question a witness for a specified, total period that is equal for each side and not longer than thirty minutes for each side.

(3) The chairman, with the concurrence of the ranking minority member, or the committee by motion, may permit committee staff of the majority and minority to question a witness for a specified, total period that is equal for each side and not longer than thirty minutes for each side.

(4) Nothing in paragraph (2) or (3) affects the rights of a Member (other than a Member designated under paragraph (2)) to question a witness for 5 minutes in accordance with paragraph (1) after the questioning permitted under paragraph (2) or (3). In any extended questioning permitted under paragraph (2) or (3), the chairman shall determine how to allocate the time permitted for extended questioning by majority members or majority committee staff and the ranking minority member shall determine how to allocate the time permitted for extended questioning by minority members or minority committee staff. The chairman or the ranking minority member, as applicable, may allocate the time for any extended questioning permitted to staff under paragraph (3) to members.

Rule 15.—Investigative Hearing Procedures

Investigative hearings shall be conducted according to the procedures in House Rule XI, clause 2(k). All questions put to witnesses before the committee shall be relevant to the subject matter before the committee for consideration, and the chairman shall rule on the relevance of any questions put to the witnesses.

Rule 16.—Stenographic Record

A stenographic record of all testimony shall be kept of public hearings and shall be made available on such conditions as the chairman may prescribe.

Rule 17.—Audio and Visual Coverage of Committee Proceedings

(1) An open meeting or hearing of the committee or a subcommittee may be covered, in whole or in part, by television broadcast, radio broadcast, Internet broadcast, and still photography, unless closed subject to the provisions of House Rule XI, clause 2(g). Any such coverage shall conform with the provisions of House Rule XI, clause 4.

(2) Use of the Committee Broadcast System shall be fair and nonpartisan, and in accordance with House Rule XI, clause 4(b), and all other applicable rules of the House of Representatives and the Committee on Government Reform. Members of the committee shall have prompt access to a copy of coverage by the Committee Broadcast System, to the extent that such coverage is maintained.

(3) Personnel providing coverage of an open meeting or hearing of the committee or a subcommittee by Internet broadcast, other than through the Committee Broadcast System, shall be currently accredited to the Radio and Television Correspondents' Galleries.

Rule 18.—Additional Duties of Chairman

The chairman of the full committee shall:

(a) Make available to other committees the findings and recommendations resulting from the investigations of the committee or its subcommittees as required by House Rule X, clause 4(c)(2);

(b) Direct such review and studies on the impact or probable impact of tax policies affecting subjects within the committee's jurisdiction as required by House Rule X, clause 2(c);

(c) Submit to the Committee on the Budget views and estimates required by House Rule X, clause 4(f), and to file reports with the House as required by the Congressional Budget Act;

(d) Authorize and issue subpoenas as provided in House Rule XI, clause 2(m), in the conduct of any investigation or activity or series of investigations or activities within the jurisdiction of the committee;

(e) Prepare, after consultation with subcommittee chairmen and the minority, a budget for the committee which shall include an adequate budget for the subcommittees to discharge their responsibilities;

(f) Make any necessary technical and conforming changes to legislation reported by the committee upon unanimous consent; and

(g) Designate a vice chairman from the majority party.

Rule 19.—Commemorative Stamps

The committee has adopted the policy that the determination of the subject matter of commemorative stamps properly is for consideration by the Postmaster General and that the committee will not give consideration to legislative proposals for the issuance of commemorative stamps. It is suggested that recommendations for the issuance of commemorative stamps be submitted to the Postmaster General.

II. SELECTED RULES OF THE HOUSE OF REPRESENTATIVES

A. 1. Powers and Duties of the Committee—Rule X of the House

House Rule X provides for the organization of standing committees. The first paragraph

of clause 1 of Rule X and subdivision (h) thereof reads as follows:

ORGANIZATION OF COMMITTEES

Committees and their legislative jurisdictions

1. There shall be in the House the following standing committees, each of which shall have the jurisdiction and related functions assigned by this clause and clauses 2, 3, and 4. All bills, resolutions, and other matters relating to subjects within the jurisdiction of the standing committees listed in this clause shall be referred to those committees, in accordance with clause 2 of rule XII, as follows:

* * * * *

(h) **Committee on Government Reform.**

(1) Federal civil service, including intergovernmental personnel; and the status of officers and employees of the United States, including their compensation, classification, and retirement.

(2) Municipal affairs of the District of Columbia in general (other than appropriations).

(3) Federal paperwork reduction.

(4) Government management and accounting measures generally.

(5) Holidays and celebrations.

(6) Overall economy, efficiency, and management of government operations and activities, including Federal procurement.

(7) National archives.

(8) Population and demography generally, including the Census.

(9) Postal service generally, including transportation of the mails.

(10) Public information and records.

(11) Relationship of the Federal Government to the States and municipalities generally.

(12) Reorganizations in the executive branch of the Government.

2. General Oversight Responsibilities—Rule X, Clauses 2 and 3 of the House

Clause 2 of Rule X relates to general oversight responsibilities. Paragraphs (a), (b), (c), (d), and (e) of clause 2 read as follows:

2. (a) The various standing committees shall have general oversight responsibilities as provided in paragraph (b) in order to assist the House in—

(1) its analysis, appraisal, and evaluation of—

(A) the application, administration, execution, and effectiveness of Federal laws; and

(B) conditions and circumstances that may indicate the necessity or desirability of enacting new or additional legislation; and

(2) its formulation, consideration, and enactment of changes in Federal laws, and of such additional legislation as may be necessary or appropriate.

(b)(1) In order to determine whether laws and programs addressing subjects within the jurisdiction of a committee are being implemented and carried out in accordance with the intent of Congress and whether they should be continued, curtailed, or eliminated, each standing committee (other than the Committee on Appropriations) shall review and study on a continuing basis—

(A) the application, administration, execution, and effectiveness of laws and programs addressing subjects within its jurisdiction;

(B) the organization and operation of Federal agencies and entities having responsibilities for the administration and execution of laws and programs addressing subjects within its jurisdiction;

(C) any conditions or circumstances that may indicate the necessity or desirability of enacting new or additional legislation addressing subjects within its jurisdiction (whether or not a bill or resolution has been introduced with respect thereto); and

(D) future research and forecasting on subjects within its jurisdiction.

(2) Each committee to which subparagraph (1) applies having more than 20 members shall establish an oversight subcommittee, or require its subcommittees to conduct oversight in their respective jurisdictions, to assist in carrying out its responsibilities under this clause. The establishment of an oversight subcommittee does not limit the responsibility of a subcommittee with legislative jurisdiction in carrying out its oversight responsibilities.

(c) Each standing committee shall review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within its jurisdiction as described in clauses 1 and 3.

(d)(1) Not later than February 15 of the first session of a Congress, each standing committee shall, in a meeting that is open to the public and with a quorum present, adopt its oversight plan for that Congress. Such plan shall be submitted simultaneously to the Committee on Government Reform and to the Committee on House Administration. In developing its plan each committee shall, to the maximum extent feasible—

(A) consult with other committees that have jurisdiction over the same or related laws, programs, or agencies within its jurisdiction with the objective of ensuring maximum coordination and cooperation among committees when conducting reviews of such laws, programs, or agencies and include in its plan an explanation of steps that have been or will be taken to ensure such coordination and cooperation;

(B) review specific problems with Federal rules, regulations, statutes, and court decisions that are ambiguous, arbitrary, or nonsensical, or that impose severe financial burdens on individuals;

(C) give priority consideration to including in its plan the review of those laws, programs, or agencies operating under permanent budget authority or permanent statutory authority; and

(D) have a view toward ensuring that all significant laws, programs, or agencies within its jurisdiction are subject to review every 10 years.

(2) Not later than March 31 in the first session of a Congress, after consultation with the Speaker, the Majority Leader, and the Minority Leader, the Committee on Government Reform shall report to the House the oversight plans submitted by committees together with any recommendations that it, or the House leadership group described above, may make to ensure the most effective coordination of oversight plans and otherwise to achieve the objectives of this clause.

(e) The Speaker, with the approval of the House, may appoint special ad hoc oversight committees for the purpose of reviewing specific matters within the jurisdiction of two or more standing committees.

Special oversight functions

Clause 3 of Rule X also relates to oversight functions. Paragraph (e) reads as follows:

* * * * *

(e) The Committee on Government Reform shall review and study on a continuing basis the operation of Government activities at all levels with a view to determining their economy and efficiency.

3. Additional Functions of Committees—Rule X, Clauses 4, 6 and 7 of the House

Clause 4 of Rule X relates to additional functions of committees and committee budgets. Paragraphs (a)(2), (c) and (f) of clause 4 and clauses 6 and 7 read as follows:

4. (a)

* * * * *

(2) Pursuant to section 401(b)(2) of the Congressional Budget Act of 1974, when a committee reports a bill or joint resolution that provides new entitlement authority as defined in section 3(9) of that Act, and enactment of the bill or joint resolution, as reported, would cause a breach of the committee's pertinent allocation of new budget authority under section 302(a) of that Act, the bill or joint resolution may be referred to the Committee on Appropriations with instructions to report it with recommendations (which may include an amendment limiting the total amount of new entitlement authority provided in the bill or joint resolution). If the Committee on Appropriations fails to report a bill or joint resolution so referred within 15 calendar days (not counting any day on which the House is not in session), the committee automatically shall be discharged from consideration of the bill or joint resolution, and the bill or joint resolution shall be placed on the appropriate calendar.

* * * * *

(c)(1) The Committee on Government Reform shall—

(A) receive and examine reports of the Comptroller General of the United States and submit to the House such recommendations as it considers necessary or desirable in connection with the subject matter of the reports;

(B) evaluate the effects of laws enacted to reorganize the legislative and executive branches of the Government; and

(C) study intergovernmental relationships between the United States and the States and municipalities and between the United States and international organizations of which the United States is a member.

(2) In addition to its duties under subparagraph (1), the Committee on Government Reform may at any time conduct investigations of any matter without regard to clause 1, 2, 3, or this clause conferring jurisdiction over the matter to another standing committee. The findings and recommendations of the committee in such an investigation shall be made available to any other standing committee having jurisdiction over the matter involved and shall be included in the report of any such other committee when required by clause 3(c)(4) of rule XIII.

* * * * *

Budget Act responsibilities

(f)(1) Each standing committee shall submit to the Committee on the Budget not later than six weeks after the President submits his budget, or at such time as the Committee on the Budget may request—

(A) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year that are within its jurisdiction or functions; and

(B) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction that it intends to be effective during that fiscal year.

(2) The views and estimates submitted by the Committee on Ways and Means under subparagraph (1) shall include a specific recommendation, made after holding public hearings, as to the appropriate level of the public debt that should be set forth in the concurrent resolution on the budget and serve as the basis for an increase or decrease in the statutory limit on such debt under the procedures provided by rule XXIII.

Expense resolutions

6. (a) Whenever a committee, commission, or other entity (other than the Committee on Appropriations) is granted authorization for the payment of its expenses (including staff salaries) for a Congress, such authorization initially shall be procured by one primary expense resolution reported by the

Committee on House Administration. A primary expense resolution may include a reserve fund for unanticipated expenses of committees. An amount from such a reserve fund may be allocated to a committee only by the approval of the Committee on House Administration. A primary expense resolution reported to the House may not be considered in the House unless a printed report thereon was available on the previous calendar day. For the information of the House, such report shall—

(1) state the total amount of the funds to be provided to the committee, commission, or other entity under the primary expense resolution for all anticipated activities and programs of the committee, commission, or other entity; and

(2) to the extent practicable, contain such general statements regarding the estimated foreseeable expenditures for the respective anticipated activities and programs of the committee, commission, or other entity as may be appropriate to provide the House with basic estimates of the expenditures contemplated by the primary expense resolution.

(b) After the date of adoption by the House of a primary expense resolution for a committee, commission, or other entity for a Congress, authorization for the payment of additional expenses (including staff salaries) in that Congress may be procured by one or more supplemental expense resolutions reported by the Committee on House Administration, as necessary. A supplemental expense resolution reported to the House may not be considered in the House unless a printed report thereon was available on the previous calendar day. For the information of the House, such report shall—

(1) state the total amount of additional funds to be provided to the committee, commission, or other entity under the supplemental expense resolution and the purposes for which those additional funds are available; and

(2) state the reasons for the failure to procure the additional funds for the committee, commission, or other entity by means of the primary expense resolution.

(c) The preceding provisions of this clause do not apply to—

(1) a resolution providing for the payment from committee salary and expense accounts of the House of sums necessary to pay compensation for staff services performed for, or to pay other expenses of, a committee, commission, or other entity at any time after the beginning of an odd-numbered year and before the date of adoption by the House of the primary expense resolution described in paragraph (a) for that year; or

(2) a resolution providing each of the standing committees in a Congress additional office equipment, airmail and special-delivery postage stamps, supplies, staff personnel, or any other specific item for the operation of the standing committees, and containing an authorization for the payment from committee salary and expense accounts of the House of the expenses of any of the foregoing items provided by that resolution, subject to and until enactment of the provisions of the resolution as permanent law.

(d) From the funds made available for the appointment of committee staff by a primary or additional expense resolution, the chairman of each committee shall ensure that sufficient staff is made available to each subcommittee to carry out its responsibilities under the rules of the committee and that the minority party is treated fairly in the appointment of such staff.

(e) Funds authorized for a committee under this clause and clauses 7 and 8 are for expenses incurred in the activities of the committee.

Interim funding

7. (a) For the period beginning at noon on January 3 and ending at midnight on March 31 in each odd-numbered year, such sums as may be necessary shall be paid out of the committee salary and expense accounts of the House for continuance of necessary investigations and studies by—

(1) each standing and select committee established by these rules; and

(2) except as specified in paragraph (b), each select committee established by resolution.

(b) In the case of the first session of a Congress, amounts shall be made available under this paragraph for a select committee established by resolution in the preceding Congress only if—

(1) a resolution proposing to reestablish such select committee is introduced in the present Congress; and

(2) the House has not adopted a resolution of the preceding Congress providing for termination of funding for investigations and studies by such select committee.

(c) Each committee described in paragraph (a) shall be entitled for each month during the period specified in paragraph (a) to 9 percent (or such lesser percentage as may be determined by the Committee on House Administration) of the total annualized amount made available under expense resolutions for such committee in the preceding session of Congress.

(d) Payments under this paragraph shall be made on vouchers authorized by the committee involved, signed by the chairman of the committee, except as provided in paragraph (e), and approved by the Committee on House Administration.

(e) Notwithstanding any provision of law, rule of the House, or other authority, from noon on January 3 of the first session of a Congress until the election by the House of the committee concerned in that Congress, payments under this paragraph shall be made on vouchers signed by—

(1) the member of the committee who served as chairman of the committee at the expiration of the preceding Congress; or

(2) if the chairman is not a Member, Delegate, or Resident Commissioner in the present Congress, then the ranking member of the committee as it was constituted at the expiration of the preceding Congress who is a member of the majority party in the present Congress.

(f)(1) The authority of a committee to incur expenses under this paragraph shall expire upon adoption by the House of a primary expense resolution for the committee.

(2) Amounts made available under this paragraph shall be expended in accordance with regulations prescribed by the Committee on House Administration.

(3) This clause shall be effective only insofar as it is not inconsistent with a resolution reported by the Committee on House Administration and adopted by the House after the adoption of these rules.

Travel

8. (a) Local currencies owned by the United States shall be made available to the committee and its employees engaged in carrying out their official duties outside the United States or its territories or possessions. Appropriated funds, including those authorized under this clause and clauses 6 and 8, may not be expended for the purpose of defraying expenses of members of a committee or its employees in a country where local currencies are available for this purpose.

(b) The following conditions shall apply with respect to travel outside the United States or its territories or possessions:

(1) A member or employee of a committee may not receive or expend local currencies for subsistence in a country for a day at a rate in excess of the maximum per diem set forth in applicable Federal law.

(2) A member or employee shall be reimbursed for his expenses for a day at the lesser of—

(A) the per diem set forth in applicable Federal law; or

(B) the actual, unreimbursed expenses (other than for transportation) he incurred during that day.

(3) Each member or employee of a committee shall make to the chairman of the committee an itemized report showing the dates each country was visited, the amount of per diem furnished, the cost of transportation furnished, and funds expended for any other official purpose and shall summarize in these categories the total foreign currencies or appropriated funds expended. Each report shall be filed with the chairman of the committee not later than 60 days following the completion of travel for use in complying with reporting requirements in applicable Federal law and shall be open for public inspection.

(c)(1) In carrying out the activities of a committee outside the United States in a country where local currencies are unavailable, a member or employee of a committee may not receive reimbursement for expenses (other than for transportation) in excess of the maximum per diem set forth in applicable Federal law.

(2) A member or employee shall be reimbursed for his expenses for a day, at the lesser of—

(A) the per diem set forth in applicable Federal law; or

(B) the actual unreimbursed expenses (other than for transportation) he incurred during that day.

(3) A member or employee of a committee may not receive reimbursement for the cost of any transportation in connection with travel outside the United States unless the member or employee actually paid for the transportation.

(d) The restrictions respecting travel outside the United States set forth in paragraph (c) also shall apply to travel outside the United States by a Member, Delegate, Resident Commissioner, officer, or employee of the House authorized under any standing rule.

Committee staffs

9. (a)(1) Subject to subparagraph (2) and paragraph (f), each standing committee may appoint, by majority vote, not more than 30 professional staff members to be compensated from the funds provided for the appointment of committee staff by primary and additional expense resolutions. Each professional staff member appointed under this subparagraph shall be assigned to the chairman and the ranking minority member of the committee, as the committee considers advisable.

(2) Subject to paragraph (f) whenever a majority of the minority party members of a standing committee (other than the Committee on Standards of Official Conduct or the Permanent Select Committee on Intelligence) so request, not more than 10 persons (or one-third of the total professional committee staff appointed under this clause, whichever is fewer) may be selected, by majority vote of the minority party members, for appointment by the committee as professional staff members under subparagraph (1). The committee shall appoint persons so selected whose character and qualifications are acceptable to a majority of the committee. If the committee determines that the character and qualifications of a person so selected are unacceptable, a majority of the minority party members may select another person for appointment by the committee to the professional staff until such

appointment is made. Each professional staff member appointed under this subparagraph shall be assigned to such committee business as the minority party members of the committee consider advisable.

(b)(1) The professional staff members of each standing committee—

(A) may not engage in any work other than committee business during congressional working hours; and

(B) may not be assigned a duty other than one pertaining to committee business.

(2) Subparagraph (1) does not apply to staff designated by a committee as ''associate'' or ''shared'' staff who are not paid exclusively by the committee, provided that the chairman certifies that the compensation paid by the committee for any such staff is commensurate with the work performed for the committee in accordance with clause 8 of rule XXIV.

(3) The use of any ''associate'' or ''shared'' staff by a committee shall be subject to the review of, and to any terms, conditions, or limitations established by, the Committee on House Administration in connection with the reporting of any primary or additional expense resolution.

(4) This paragraph does not apply to the Committee on Appropriations.

(c) Each employee on the professional or investigative staff of a standing committee shall be entitled to pay at a single gross per annum rate, to be fixed by the chairman and that does not exceed the maximum rate of pay as in effect from time to time under applicable provisions of law.

(d) Subject to appropriations hereby authorized, the Committee on Appropriations may appoint by majority vote such staff as it determines to be necessary (in addition to the clerk of the committee and assistants for the minority). The staff appointed under this paragraph, other than minority assistants, shall possess such qualifications as the committee may prescribe.

(e) A committee may not appoint to its staff an expert or other personnel detailed or assigned from a department or agency of the Government except with the written permission of the Committee on House Administration.

(f) If a request for the appointment of a minority professional staff member under paragraph (a) is made when no vacancy exists for such an appointment, the committee nevertheless may appoint under paragraph (a) a person selected by the minority and acceptable to the committee. A person so appointed shall serve as an additional member of the professional staff of the committee until such a vacancy occurs (other than a vacancy in the position of head of the professional staff, by whatever title designated), at which time that person is considered as appointed to that vacancy. Such a person shall be paid from the applicable accounts of the House described in clause 1(i)(1) of rule X. If such a vacancy occurs on the professional staff when seven or more persons have been so appointed who are eligible to fill that vacancy, a majority of the minority party members shall designate which of those persons shall fill the vacancy.

(g) Each staff member appointed pursuant to a request by minority party members under paragraph (a), and each staff member appointed to assist minority members of a committee pursuant to an expense resolution described in paragraph (a) of clause 6, shall be accorded equitable treatment with respect to the fixing of the rate of pay, the assignment of work facilities, and the accessibility of committee records.

(h) Paragraph (a) may not be construed to authorize the appointment of additional professional staff members of a committee pursuant to a request under paragraph (a) by the minority party members of that committee if 10 or more professional staff members provided for in paragraph (a)(1) who are satisfactory to a majority of the minority party members are otherwise assigned to assist the minority party members.

(i) Notwithstanding paragraph (a)(2), a committee may employ nonpartisan staff, in lieu of or in addition to committee staff designated exclusively for the majority or minority party, by an affirmative vote of a majority of the members of the majority party and of a majority of the members of the minority party.

B. Procedure for Committees and Unfinished Business—Rule XI of the House

Clauses 1, 2, 4, 5 and 6 of Rule XI are set out below.

In general

1. (a)(1)(A) Except as provided in subdivision (B), the Rules of the House are the rules of its committees and subcommittees so far as applicable.

(B) A motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, each shall be privileged in committees and subcommittees and shall be decided without debate.

(2) Each subcommittee is a part of its committee and is subject to the authority and direction of that committee and to its rules, so far as applicable.

(b)(1) Each committee may conduct at any time such investigations and studies as it considers necessary or appropriate in the exercise of its responsibilities under rule X. Subject to the adoption of expense resolutions as required by clause 6 of rule X, each committee may incur expenses, including travel expenses, in connection with such investigations and studies.

(2) A proposed investigative or oversight report shall be considered as read in committee if it has been available to the members for at least 24 hours (excluding Saturdays, Sundays, or legal holidays except when the House is in session on such a day).

(3) A report of an investigation or study conducted jointly by more than one committee may be filed jointly, provided that each of the committees complies independently with all requirements for approval and filing of the report.

(4) After an adjournment sine die of the last regular session of a Congress, an investigative or oversight report may be filed with the Clerk at any time, provided that a member who gives timely notice of intention to file supplemental, minority, or additional views shall be entitled to not less than seven calendar days in which to submit such views for inclusion in the report.

(c) Each committee may have printed and bound such testimony and other data as may be presented at hearings held by the committee or its subcommittees. All costs of stenographic services and transcripts in connection with a meeting or hearing of a committee shall be paid from the applicable accounts of the House described in clause 1(i)(1) of rule X.

(d)(1) Each committee shall submit to the House not later than January 2 of each odd-numbered year a report on the activities of that committee under this rule and rule X during the Congress ending at noon on January 3 of such year.

(2) Such report shall include separate sections summarizing the legislative and oversight activities of that committee during that Congress.

(3) The oversight section of such report shall include a summary of the oversight plans submitted by the committee under clause 2(d) of rule X, a summary of the actions taken and recommendations made with respect to each such plan, a summary of any additional oversight activities undertaken by that committee, and any recommendations made or actions taken thereon.

(4) After an adjournment sine die of the last regular session of a Congress, the chairman of a committee may file an activities report under subparagraph (1) with the Clerk at any time and without approval of the committee, provided that—

(A) a copy of the report has been available to each member of the committee for at least seven calendar days; and

(B) the report includes any supplemental, minority, or additional views submitted by a member of the committee.

Adoption of written rules

2. (a)(1) Each standing committee shall adopt written rules governing its procedure. Such rules—

(A) shall be adopted in a meeting that is open to the public unless the committee, in open session and with a quorum present, determines by record vote that all or part of the meeting on that day shall be closed to the public;

(B) may not be inconsistent with the Rules of the House or with those provisions of law having the force and effect of Rules of the House; and

(C) shall in any event incorporate all of the succeeding provisions of this clause to the extent applicable.

(2) Each committee shall submit its rules for publication in the Congressional Record not later than 30 days after the committee is elected in each odd-numbered year.

Regular meeting days

(b) Each standing committee shall establish regular meeting days for the conduct of its business, which shall be not less frequent than monthly. Each such committee shall meet for the consideration of a bill or resolution pending before the committee or the transaction of other committee business on all regular meeting days fixed by the committee unless otherwise provided by written rule adopted by the committee.

Additional and special meetings

(c)(1) The chairman of each standing committee may call and convene, as he considers necessary, additional and special meetings of the committee for the consideration of a bill or resolution pending before the committee or for the conduct of other committee business, subject to such rules as the committee may adopt. The committee shall meet for such purpose under that call of the chairman.

(2) Three or more members of a standing committee may file in the offices of the committee a written request that the chairman call a special meeting of the committee. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the committee shall notify the chairman of the filing of the request. If the chairman does not call the requested special meeting within three calendar days after the filing of the request (to be held within seven calendar days after the filing of the request) a majority of the members of the committee may file in the offices of the committee their written notice that a special meeting of the committee will be held. The written notice shall specify the date and hour of the special meeting and the measure or matter to be considered. The committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the committee shall notify all members of the committee that such special meeting will be held and inform them of its date and hour and the measure or matter to be considered. Only the measure or matter specified in that notice may be considered at that special meeting.

Temporary absence of chairman

(d) A member of the majority party on each standing committee or subcommittee thereof shall be designated by the chairman of the full committee as the vice chairman of the committee or subcommittee, as the case may be, and shall preside during the absence of the chairman from any meeting. If the chairman and vice chairman of a committee or subcommittee are not present at any meeting of the committee or subcommittee, the ranking majority member who is present shall preside at that meeting.

Committee records

(e)(1)(A) Each committee shall keep a complete record of all committee action which shall include—

(i) in the case of a meeting or hearing transcript, a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical, and typographical corrections authorized by the person making the remarks involved; and

(ii) a record of the votes on any question on which a record vote is demanded.

(B)(i) Except as provided in subdivision (B)(ii) and subject to paragraph (k)(7), the result of each such record vote shall be made available by the committee for inspection by the public at reasonable times in its offices. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition, the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members of the committee present but not voting.

(ii) The result of any record vote taken in executive session in the Committee on Standards of Official Conduct may not be made available for inspection by the public without an affirmative vote of a majority of the members of the committee.

(2)(A) Except as provided in subdivision (B), all committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as its chairman. Such records shall be the property of the House, and each Member, Delegate, and the Resident Commissioner shall have access thereto.

(B) A Member, Delegate, or Resident Commissioner, other than members of the Committee on Standards of Official Conduct, may not have access to the records of that committee respecting the conduct of a Member, Delegate, Resident Commissioner, officer, or employee of the House without the specific prior permission of that committee.

(3) Each committee shall include in its rules standards for availability of records of the committee delivered to the Archivist of the United States under rule VII. Such standards shall specify procedures for orders of the committee under clause 3(b)(3) and clause 4(b) of rule VII, including a requirement that nonavailability of a record for a period longer than the period otherwise applicable under that rule shall be approved by vote of the committee.

(4) Each committee shall make its publications available in electronic form to the maximum extent feasible.

Prohibition against proxy voting

(f) A vote by a member of a committee or subcommittee with respect to any measure or matter may not be cast by proxy.

Open meetings and hearings

(g)(1) Each meeting for the transaction of business, including the markup of legislation, by a standing committee or subcommittee thereof (other than the Committee on Standards of Official Conduct or its subcommittee) shall be open to the public, including to radio, television, and still photography coverage, except when the committee or subcommittee, in open session and with a majority present, determines by record vote that all or part of the remainder of the meeting on that day shall be in executive session because disclosure of matters to be considered would endanger national security, would compromise sensitive law enforcement information, would tend to defame, degrade, or incriminate any person, or otherwise would violate a law or rule of the House. Persons, other than members of the committee and such noncommittee Members, Delegates, Resident Commissioner, congressional staff, or departmental representatives as the committee may authorize, may not be present at a business or markup session that is held in executive session. This subparagraph does not apply to open committee hearings, which are governed by clause 4(a)(1) of rule X or by subparagraph (2).

(2)(A) Each hearing conducted by a committee or subcommittee (other than the Committee on Standards of Official Conduct or its subcommittees) shall be open to the public, including to radio, television, and still photography coverage, except when the committee or subcommittee, in open session and with a majority present, determines by record vote that all or part of the remainder of that hearing on that day shall be closed to the public because disclosure of testimony, evidence, or other matters to be considered would endanger national security, would compromise sensitive law enforcement information, or would violate a law or rule of the House.

(B) Notwithstanding the requirements of subdivision (A), in the presence of the number of members required under the rules of the committee for the purpose of taking testimony, a majority of those present may—

(i) agree to close the hearing for the sole purpose of discussing whether testimony or evidence to be received would endanger national security, would compromise sensitive law enforcement information, or would violate clause 2(k)(5); or

(ii) agree to close the hearing as provided in clause 2(k)(5).

(C) A Member, Delegate, or Resident Commissioner may not be excluded from nonparticipatory attendance at a hearing of a committee or subcommittee (other than the Committee on Standards of Official Conduct or its subcommittees) unless the House by majority vote authorizes a particular committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members, Delegates, and the Resident Commissioner by the same procedures specified in this subparagraph for closing hearings to the public.

(D) The committee or subcommittee may vote by the same procedure described in this subparagraph to close one subsequent day of hearing, except that the Committee on Appropriations, the Committee on Armed Services, and the Permanent Select Committee on Intelligence, and the subcommittees thereof, may vote by the same procedure to close up to five additional, consecutive days of hearings.

(3) The chairman of each committee (other than the Committee on Rules) shall make public announcement of the date, place, and subject matter of a committee hearing at least one week before the commencement of the hearing. If the chairman of the committee, with the concurrence of the ranking minority member, determines that there is good cause to begin a hearing sooner, or if the committee so determines by majority vote in the presence of the number of members required under the rules of the committee for the transaction of business, the chairman shall make the announcement at the earliest possible date. An announcement made under this subparagraph shall be published promptly in the Daily Digest and made available in electronic form.

(4) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness.

(5)(A) Except as provided in subdivision (B), a point of order does not lie with respect to a measure reported by a committee on the ground that hearings on such measure were not conducted in accordance with this clause.

(B) A point of order on the ground described in subdivision (A) may be made by a member of the committee that reported the measure if such point of order was timely made and improperly disposed of in the committee.

(6) This paragraph does not apply to hearings of the Committee on Appropriations under clause 4(a)(1) of rule X.

Quorum requirements

(h)(1) A measure or recommendation may not be reported by a committee unless a majority of the committee is actually present.

(2) Each committee may fix the number of its members to constitute a quorum for taking testimony and receiving evidence, which may not be less than two.

(3) Each committee (other than the Committee on Appropriations, the Committee on the Budget, and the Committee on Ways and Means) may fix the number of its members to constitute a quorum for taking any action other than the reporting of a measure or recommendation, which may not be less than one-third of the members.

Limitation on committee sittings

(i) A committee may not sit during a joint session of the House and Senate or during a recess when a joint meeting of the House and Senate is in progress.

Calling and questioning of witnesses

(j)(1) Whenever a hearing is conducted by a committee on a measure or matter, the minority members of the committee shall be entitled, upon request to the chairman by a majority of them before the completion of the hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(2)(A) Subject to subdivisions (B) and (C), each committee shall apply the five-minute rule during the questioning of witnesses in a hearing until such time as each member of the committee who so desires has had an opportunity to question each witness.

(B) A committee may adopt a rule or motion permitting a specified number of its members to question a witness for longer than five minutes. The time for extended questioning of a witness under this subdivision shall be equal for the majority party and the minority party and may not exceed one hour in the aggregate.

(C) A committee may adopt a rule or motion permitting committee staff for its majority and minority party members to question a witness for equal specified periods.

The time for extended questioning of a witness under this subdivision shall be equal for the majority party and the minority party and may not exceed one hour in the aggregate.

Hearing procedures

(k)(1) The chairman at a hearing shall announce in an opening statement the subject of the hearing.

(2) A copy of the committee rules and of this clause shall be made available to each witness on request.

(3) Witnesses at hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights.

(4) The chairman may punish breaches of order and decorum, and of professional ethics on the part of counsel, by censure and exclusion from the hearings; and the committee may cite the offender to the House for contempt.

(5) Whenever it is asserted by a memeber of the committee that the evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person, or it is asserted by a witness that the evidence or testimony that the witness would give at a hearing may tend to defame, degrade, or incriminate the witness—

(A) notwithstanding paragraph (g)(2), such testimony or evidence shall be presented in executive session if, in the presence of the number of members required under the rules of the committee for the purpose of taking testimony, the committee determines by vote of a majority of those present that such evidence or testimony may tend to defame, degrade, or incriminate any person; and

(B) the committee shall proceed to receive such testimony in open session only if the committee, a majority being present, determines that such evidence or testimony will not tend to defame, degrade, or incriminate any person.

In either case the committee shall afford such person an opportunity voluntarily to appear as a witness, and receive and dispose of requests from such person to subpoena additional witnesses.

(6) Except as provided in subparagraph (5), the chairman shall receive and the committee shall dispose of requests to subpoena additional witnesses.

(7) Evidence or testimony taken in executive session, and proceedings conducted in executive session, may be released or used in public sessions only when authorized by the committee, a majority being present.

(8) In the discretion of the committee, witnesses may submit brief and pertinent sworn statements in writing for inclusion in the record. The committee is the sole judge of the pertinence of testimony and evidence adduced at its hearing.

(9) A witness may obtain a transcript copy of his testimony given at a public session or, if given at an executive session, when authorized by the committee.

Supplemental, minority, or additional views

(l) If at the time of approval of a measure or matter by a committee (other than the Committee on Rules) a member of the committee gives notice of intention to file supplemental, minority, or additional views for inclusion in the report to the House thereon, that member shall be entitled to not less than two additional calendar days after the day of such notice (excluding Saturdays, Sundays, and legal holidays except when the House is in session on such a day) to file such views, in writing and signed by that member, with the clerk of the committee.

Power to sit and act; subpoena power

(m)(1) For the purpose of carrying out any of its functions and duties under this rule and rule X (including any matters referred to it under clause 2 of rule XII), a committee or subcommittee is authorized (subject to subparagraph (2)(A))—

(A) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it considers necessary; and

(B) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as it considers necessary.

(2) The chairman of the committee, or a member designated by the chairman, may administer oaths to witnesses.

(3)(A)(i) Except as provided in subdivision (A)(ii), a subpoena may be authorized and issued by a committee or subcommittee under subparagraph (1)(B) in the conduct of an investigation or series of investigations or activities only when authorized by the committee or subcommittee, a majority being present. The power to authorize and issue subpoenas under subparagraph (1)(B) may be delegated to the chairman of the committee under such rules and under such limitations as the committee may prescribe. Authorized subpoenas shall be signed by the chairman of the committee or by a member designated by the committee.

(ii) In the case of a subcommittee of the Committee on Standards of Official Conduct, a subpoena may be authorized and issued only by an affirmative vote of a majority of its members.

(B) A subpoena duces tecum may specify terms of return other than at a meeting or hearing of the committee or subcommittee authorizing the subpoena.

(C) Compliance with a subpoena issued by a committee or subcommittee under subparagraph (1)(B) may be enforced only as authorized or directed by the House.

* * * * *

Audio and visual coverage of committee proceedings

4. (a) The purpose of this clause is to provide a means, in conformity with acceptable standards of dignity, propriety, and decorum, by which committee hearings or committee meetings that are open to the public may be covered by audio and visual means—

(1) for the education, enlightenment, and information of the general public, on the basis of accurate and impartial news coverage, regarding the operations, procedures, and practices of the House as a legislative and representative body, and regarding the measures, public issues, and other matters before the House and its committees, the consideration thereof, and the action taken thereon; and

(2) for the development of the perspective and understanding of the general public with respect to the role and function of the House under the Constitution as an institution of the Federal Government.

(b) In addition, it is the intent of this clause that radio and television tapes and television film of any coverage under this clause may not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for elective public office.

(c) It is, further, the intent of this clause that the general conduct of each meeting (whether of a hearing or otherwise) covered under authority of this clause by audio or visual means, and the personal behavior of the committee members and staff, other Government officials and personnel, witnesses, television, radio, and press media personnel, and the general public at the hearing or other meeting, shall be in strict conformity with and observance of the acceptable standards of dignity, propriety, courtesy, and decorum traditionally observed by the House in its operations, and may not be such as to—

(1) distort the objects and purposes of the hearing or other meeting or the activities of committee members in connection with that hearing or meeting or in connection with the general work of the committee or of the House; or

(2) cast discredit or dishonor on the House, the committee, or a Member, Delegate, or Resident Commissioner or bring the House, the committee, or a Member, Delegate, or Resident Commissioner into disrepute.

(d) The coverage of committee hearings and meetings by audio and visual means shall be permitted and conducted only in strict conformity with the purposes, provisions, and requirements of this clause.

(e) Whenever a hearing or meeting conducted by a committee or subcommittee is open to the public, those proceedings shall be open to coverage by audio and visual means. A committee or subcommittee chairman may not limit the number of television or still cameras to fewer than two representatives from each medium (except for legitimate space or safety considerations, in which case pool coverage shall be authorized).

(f) Each committee shall adopt written rules to govern its implementation of this clause. Such rules shall contain provisions to the following effect:

(1) If audio or visual coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) The allocation among the television media of the positions or the number of television cameras permitted by a committee or subcommittee chairman in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(3) Television cameras shall be placed so as not to obstruct in any way the space between a witness giving evidence or testimony and any member of the committee or the visibility of that witness and that member to each other.

(4) Television cameras shall operate from fixed positions but may not be placed in positions that obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(5) Equipment necessary for coverage by the television and radio media may not be installed in, or removed from, the hearing or meeting room while the committee is in session.

(6)(A) Except as provided in subdivision (B), floodlights, spotlights, strobelights, and flashguns may not be used in providing any method of coverage of the hearing or meeting.

(B) The television media may install additional lighting in a hearing or meeting room, without cost to the Government, in order to raise the ambient lighting level in a hearing or meeting room to the lowest level necessary to provide adequate television coverage of a hearing or meeting at the current state of the art of television coverage.

(7) In the allocation of the number of still photographers permitted by a committee or subcommittee chairman in a hearing or meeting room, preference shall be given to photographers from Associated Press Photos and United Press International Newspictures. If requests are made by more of the media than will be permitted by a committee or subcommittee chairman for coverage of a hearing or meeting by still

photography, that coverage shall be permitted on the basis of a fair and equitable pool arrangement devised by the Standing Committee of Press Photographers.

(8) Photographers may not position themselves between the witness table and the members of the committee at any time during the course of a hearing or meeting.

(9) Photographers may not place themselves in positions that obstruct unnecessarily the coverage of the hearing by the other media.

(10) Personnel providing coverage by the television and radio media shall be currently accredited to the Radio and Television Correspondents' Galleries.

(11) Personnel providing coverage by still photography shall be currently accredited to the Press Photographers' Gallery.

(12) Personnel providing coverage by the television and radio media and by still photography shall conduct themselves and their coverage activities in an orderly and unobtrusive manner.

Pay of witnesses

5. Witnesses appearing before the House or any of its committees shall be paid the same per diem rate as established, authorized, and regulated by the Committee on House Administration for Members, Delegates, the Resident Commissioner, and employees of the House, plus actual expenses of travel to or from the place of examination. Such per diem may not be paid when a witness has been summoned at the place of examination.

C. Filing and Printing of Reports—Rule XIII, Clauses 2, 3 and 4 of the House

2. (a)(1) Except as provided in subparagraph (2), all reports of committees (other than those filed from the floor as privileged) shall be delivered to the Clerk for printing and reference to the proper calendar under the direction of the Speaker in accordance with clause 1. The title or subject of each report shall be entered on the Journal and printed in the Congressional Record.

(2) A bill or resolution reported adversely shall be laid on the table unless a committee to which the bill or resolution was referred requests at the time of the report its referral to an appropriate calendar under clause 1 or unless, within three days thereafter, a Member, Delegate, or Resident Commissioner makes such a request.

(b)(1) It shall be the duty of the chairman of each committee to report or cause to be reported promptly to the House a measure or matter approved by the committee and to take or cause to be taken steps necessary to bring the measure or matter to a vote.

(2) In any event, the report of a committee on a measure that has been approved by the committee shall be filed within seven calendar days (exclusive of days on which the House is not in session) after the day on which a written request for the filing of the report, signed by a majority of the members of the committee, has been filed with the clerk of the committee. The clerk of the committee shall immediately notify the chairman of the filing of such a request. This subparagraph does not apply to a report of the Committee on Rules with respect to a rule, joint rule, or order of business of the House, or to the reporting of a resolution of inquiry addressed to the head of an executive department.

(c) All supplemental, minority, or additional views filed under clause 2(l) of rule XI by one or more members of a committee shall be included in, and shall be a part of, the report filed by the committee with respect to a measure or matter. When time guaranteed by clause 2(l) of rule XI has expired (or, if sooner, when all separate views have been received), the committee may arrange to file its report with the Clerk not later than one hour after the expiration of such time. This clause and provisions of clause 2(l) of rule XI do not preclude the immediate filing or printing of a committee report in the absence of a timely request for the opportunity to file supplemental, minority, or additional views as provided in clause 2(l) of rule XI.

Content of reports

3. (a)(1) Except as provided in subparagraph (2), the report of a committee on a measure or matter shall be printed in a single volume that—

(A) shall include all supplemental, minority, or additional views that have been submitted by the time of the filing of the report; and

(B) shall bear on its cover a recital that any such supplemental, minority, or additional views (and any material submitted under paragraph (c)(3) or (4)) are included as part of the report.

(2) A committee may file a supplemental report for the correction of a technical error in its previous report on a measure or matter. A supplemental report only correcting errors in the depiction of record votes under paragraph (b) may be filed under this subparagraph and shall not be subject to the requirement in clause 4 concerning the availability of reports.

(b) With respect to each record vote on a motion to report a measure or matter of a public nature, and on any amendment offered to the measure or matter, the total number of votes cast for and against, and the names of members voting for and against, shall be included in the committee report. The preceding sentence does not apply to votes taken in executive session by the Committee on Standards of Official Conduct.

(c) The report of a committee on a measure that has been approved by the committee shall include, separately set out and clearly identified, the following:

(1) Oversight findings and recommendations under clause 2(b)(1) of rule X.

(2) The statement required by section 308(a) of the Congressional Budget Act of 1974, except that an estimate of new budget authority shall include, when practicable, a comparison of the total estimated funding level for the relevant programs to the appropriate levels under current law.

(3) An estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 if timely submitted to the committee before the filing of the report.

(4) A statement of general performance goals and objectives, including outcome-related goals and objectives, for which the measure authorizes funding.

(d) Each report of a committee on a public bill or public joint resolution shall contain the following:

(1) A statement citing the specific powers granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution.

(2)(A) An estimate by the committee of the costs that would be incurred in carrying out the bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following that fiscal year (or for the authorized duration of any program authorized by the bill or joint resolution if less than five years);

(B) A comparison of the estimate of costs described in subdivision (A) made by the committee with any estimate of such costs made by a Government agency and submitted to such committee; and

(C) When practicable, a comparison of the total estimated funding level for the relevant programs with the appropriate levels under current law.

(3)(A) In subparagraph (2) the term ''Government agency'' includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or the government of the District of Columbia.

(B) Subparagraph (2) does not apply to the Committee on Appropriations, the Committee on House Administration, the Committee on Rules, or the Committee on Standards of Official Conduct, and does not apply when a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been included in the report under paragraph (c)(3).

(e)(1) Whenever a committee reports a bill or joint resolution proposing to repeal or amend a statute or part thereof, it shall include in its report or in an accompanying document—

(A) the text of a statute or part thereof that is proposed to be repealed; and

(B) a comparative print of any part of the bill or joint resolution proposing to amend the statute and of the statute or part thereof proposed to be amended, showing by appropriate typographical devices the omissions and insertions proposed.

(2) If a committee reports a bill or joint resolution proposing to repeal or amend a statute or part thereof with a recommendation that the bill or joint resolution be amended, the comparative print required by subparagraph (1) shall reflect the changes in existing law proposed to be made by the bill or joint resolution as proposed to be amended.

* * * * *

Availability of reports

4. (a)(1) Except as specified in subparagraph (2), it shall not be in order to consider in the House a measure or matter reported by a committee until the third calendar day (excluding Saturdays, Sundays, or legal holidays except when the House is in session on such a day) on which each report of a committee on that measure or matter has been available to Members, Delegates, and the Resident Commissioner.

(2) Subparagraph (1) does not apply to—

(A) a resolution providing a rule, joint rule, or order of business reported by the Committee on Rules considered under clause 6;

(B) a resolution providing amounts from the applicable accounts described in clause 1(i)(1) of rule X reported by the Committee on House Administration considered under clause 6 of rule X;

(C) a bill called from the corrections calendar under clause 6 of rule XV;

(D) a resolution presenting a question of the privileges of the House reported by any committee;

(E) a measure for the declaration of war, or the declaration of a national emergency, by Congress; and

(F) a measure providing for the disapproval of a decision, determination, or action by a Government agency that would become, or continue to be, effective unless disapproved or otherwise invalidated by one or both Houses of Congress. In this subdivision the term ''Government agency'' includes any department, agency, establishment, wholly owned Government corporation, or instrumentality of the Federal Government or of the government of the District of Columbia.

(b) A committee that reports a measure or matter shall make every reasonable effort to have its hearings thereon (if any) printed and available for distribution to Members, Delegates, and the Resident Commissioner before the consideration of the measure or matter in the House.

(c) A general appropriation bill reported by the Committee on Appropriations may not

be considered in the House until the third calendar day (excluding Saturdays, Sundays, and legal holidays except when the House is in session on such a day) on which printed hearings of the Committee on Appropriations thereon have been available to Members, Delegates, and the Resident Commissioner.

III. SELECTED MATTERS OF INTEREST

A. 5 U.S.C. Sec. 2954. Information to Committees of Congress on Request

An Executive agency, on request of the Committee on Government Operations of the House of Representatives, or of any seven members thereof, or on request of the Committee on Government Operations of the Senate, or any five members thereof, shall submit any information requested of it relating to any matter within the jurisdiction of the committee.

B. 18 U.S.C. Sec. 1505. Obstruction of Proceedings Before Departments, Agencies, and Committees

Whoever, with intent to avoid, evade, prevent, or obstruct compliance, in whole or in part, with any civil investigative demand duly and properly made under the Antitrust Civil Process Act, willfully withholds, misrepresents, removes from any place, conceals, covers up, destroys, mutilates, alters, or by other means falsifies any documentary material, answers to written interrogatories, or oral testimony, which is the subject of such demand; or attempts to do so or solicits another to do so; or

Whoever corruptly, or by threats or force, or by any threatening letter or communication influences, obstructs, or impedes or endeavors to influence, obstruct, or impede the due and proper administration of the law under which any pending proceeding is being had before any department or agency of the United States, or the due and proper exercise of the power or inquiry under which any inquiry or investigation is being had by either House, or any committee or either House or any joint committee of the Congress—

Shall be fined not more than $5,000 or imprisoned not more than five years, or both.

C. 31 U.S.C. Sec. 712. Investigating the Use of Public Money

The Comptroller General shall—

* * * * * * *

(3) analyze expenditures of each executive agency the Comptroller General believes will help Congress decide whether public money has been used and expended economically and efficiently;

(4) make an investigation and report ordered by either House of Congress or a committee of Congress having jurisdiction over revenue, appropriations, or expenditures; and

(5) give a committee of Congress having jurisdiction over revenue, appropriations, or expenditures the help and information the committee requests.

D. 31 U.S.C. Sec. 719. Comptroller General Reports

* * * * * * *

(e) The Comptroller General shall report on analyses carried out under section 712(3) of this title to the Committees on Governmental Affairs and Appropriations of the Senate, the Committees on Government Operations and Appropriations of the House, and the committees with jurisdiction over legislation related to the operation of each executive agency.[1]

* * * * * * *

(i) On request of a committee of Congress, the Comptroller General shall explain to discuss with the committee or committee staff a report the Comptroller General makes that would help the committee—

(1) evaluate a program or activity of an agency within the jurisdiction of the committee; or

(2) in its consideration of proposed legislation.

E. 31 U.S.C. Sec. 717. Evaluating Programs and Activities of the United States Government

* * * * * * *

(d)(1) On request of a committee of Congress, the Comptroller General shall help the committee to—

(A) develop a statement of legislative goals and ways to assess and report program performance related to the goals, including recommended ways to assess performance, information to be reported, responsibility for reporting, frequency of reports, and feasibility of pilot testing; and

(B) assess program evaluations prepared by and for an agency.

(2) On request of a member of Congress, the Comptroller General shall give the member a copy of the material the Comptroller General compiles in carrying out this subsection that has been released by the committee for which the material was compiled.

F. 31 U.S.C. Sec. 1113. Congressional Information

(a)(1) When requested by a committee of Congress having jurisdiction over receipts or appropriations, the President shall provide the committee with assistance and information.

(2) When requested by a committee of Congress, additional information related to the amount of an appropriation originally requested by an Office of Inspector General shall be submitted to the committee.

(b) When requested by a committee of Congress, by the Comptroller General, or by the Director of the Congressional Budget Office, the Secretary of the Treasury, the Director of the Office of Management and Budget, and the head of each executive agency shall—

(1) provide information on the location and kind of available fiscal, budget, and program information;

(2) to the extent practicable, prepare summary tables of that fiscal, budget, and program information and related information of the committee, the Comptroller General, or the Director of the Congressional Budget Office considers necessary; and

(3) provide a program evaluation carried out or commissioned by an executive agency.

(c) In cooperation with the Director of the Congressional Budget Office, the Secretary, and the Director of the Office of Management and Budget, the Comptroller General shall—

(1) establish and maintain a current directory of sources of, and information systems for, fiscal, budget, and program information and a brief description of the contents of each source and system;

(2) when requested, provide assistance to committees of Congress and members of Congress in obtaining information from the sources in the directory; and

(3) when requested, provide assistance to committees and the extent practicable, to members of Congress in evaluating the information from the sources in the directory; and

(d) To the extent they consider necessary, the Comptroller General and the Director of the Congressional Budget Office individually or jointly shall establish and maintain a file of information to meet recurring needs of Congress for fiscal, budget, and program information to carry out this section and sections 717 and 1112 of this title. The file shall include information on budget requests, congressional authorizations to obligations and expenditures. The Comptroller General and the Director shall maintain the file and an index so that it is easier for the committees and agencies of Congress to use the file and index through data processing and communications techniques.

(e)(1) The Comptroller General shall—

(A) carry out a continuing program to identify the needs of committees and members of Congress for fiscal budget, and program information to carry out this section and section 1112 of this title;

(B) assist committees of Congress in developing their information needs;

(C) monitor recurring reporting requirements of Congress and committees; and

(D) make recommendations to Congress and committees for changes and improvements in those reporting requirements to meet information needs identified by the Comptroller General, to improve their usefulness to congressional users, and to eliminate unnecessary reporting.

(2) Before September 2 of each year, the Comptroller General shall report to Congress on—

(A) the needs identified under paragraph (1)(A) of this subsection;

(B) the relationship of those needs to existing reporting requirements;

(C) the extent to which reporting by the executive branch of the United States Government currently meets the identified needs;

(D) the changes to standard classifications necessary to meet congressional needs;

(E) activities, progress, and results of the program of the Comptroller General under paragraph (1)(B)-(D) of this subsection; and

(F) progress of the executive branch in the prior year.

(3) Before March 2 of each year, the Director of the Office of Management and Budget and the Secretary shall report to Congress on plans for meeting the needs identified under paragraph (1)(A) of this subsection, including—

(A) plans for carrying out changes to classifications to meet information needs of Congress;

(B) the status of information systems in the prior year; and

(C) the use of standard classifications.

(Public Law 97–258, Sept. 13, 1982, 96 Stat. 914; Public Law 97–452, §1(3), Jan. 12, 1983, 96 Stat. 2467.)

[1] For other requirements which relate to General Accounting Office reports to Congress and which affect the committee, *see* secs. 232 and 236 of the Legislative Reorganization Act of 1970 (Public Law 91–150).

THE STATUS OF CENSUS 2000

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, tomorrow is a significant day in the history of our Republic. For only the 22nd time since our founding, those charged with the constitutional mandate to conduct a decennial census will report to the Nation on the preliminary results of their work. The Census acting director appears before Congress, and he will give us the first report on the quality and completeness of that count, under oath.

Rumor has it that the results are good, I think. I say that because there is still quite a bit we do not know. Apparently, the net national undercount from the 2000 census is about 1 percent. These results are a significant improvement over 1990. The 2000 census may well be the best ever conducted.

It is also my obligation to report to this House that all may not be well with the census. If what I read in the papers is right, there is an ongoing plan by the Republican leadership to stop the Bureau from completing its job by blocking the use of modern scientific methods to achieve the most accurate picture of America.

This is not a charge that I make or any Democrat makes, it is a charge made by the investigative staff of none other than the Wall Street Journal in a story which appeared last Thursday quoting Republican sources that such a plan is afoot.

Mr. Speaker, I include for the RECORD this issue of the Wall Street Journal.

[From the Wall Street Journal, Feb. 8, 2001]

BUSH'S NEXT RECOUNT BATTLE: SHOULD CENSUS TALLIES BE ADJUSTED?

(By Jim VandeHei)

WASHINGTON.—Amid warnings of protests from minorities, President Bush must decide soon whether to use revised census data to redraw congressional boundaries and to divvy up roughly $185 billion a year in federal funds

At issue is the way the U.S. counts its people. Republicans want the person-by-person head count conducted in 2000 to stand; Democrats are demanding the use of statistical ''sampling'' models that they believe more accurately count hard-to-reach minority families in inner cities.

With potentially greater representation of minorities—and, therefore, Democrats—in Congress at stake, plus billions of dollars for minority communities, New York Democratic Rep. Carolyn Maloney calls the dispute the ''bloodiest political war'' she has ever seen. If Democrats lose, Mr. Bush's decision ''will clearly make Florida look like a case of petty theft,'' she says.

But Republicans on Capitol Hill insist the war is over: The White House, they say, has privately promised to block states from using sampled numbers to redraw any of the nation's 435 congressional districts. This would brighten Republicans' prospects for retaining their tenuous five-seat House majority in 2002. Missouri GOP Rep. Roy Blunt, a Bush confidant, says he does ''not believe there is any reason'' that the president would change his mind and permit the use of ''statistical sampling'' for redistricting, which the GOP argues is unconstitutional.

Mr. Bush, however, may be willing to use sampled data for the distribution of federal funds if it becomes clear that the revised figures will increase government funding for urban, minority areas. This potential ''compromise,'' Republicans say, underscores the president's sensitivity to the racial overtones of this debate. That could hardly placate Democrats, given the enormous political stakes.

WORKING TOWARD A SOLUTION

Scott McClellan, a spokesman for President Bush, says no decisions have been made yet. But officials at the Commerce Department, which oversees the Census Bureau, are working to craft a solution. Commerce Department officials have been advised by two stauch critics of sampling: Tom Hoffeler, a redistricting guru at the Republican National Committee, and Jane Cobb, the GOP staff director on the House subcommittee that overseas the census. Commerce Secretary Donald Evans, who was Mr. Bush's campaign chairman, also will play an influential role. * * * this month. If the bureau finds that the 2000 head count was off significantly, it could release the sampled figures when it begins providing states a breakdown of the original census on March 1 for redistricting. A final decision, by law, must be made by the end of March.

Mr. Bush's father faced a similar situation 10 years ago. Finally, then-Commerce Secretary Robert Mosbacher blocked the Census Bureau from using sampled numbers. He provided the younger Bush a precedent for possible compromise by later finding that sampled data, if based on sound science, could be preferable for distributing government funds.

This time, the White House has an array of options to stop the use of sampled data for redistricting. All are loaded with political and practical consequences.

Mr. Bush could revoke a Clinton administration rule that empowers the head of the Census Bureau to make the final call on whether to use sampled data. The courts have ruled that only unadjusted data could be used to determine how many House seats each state gets, but they left open the question of whether sampling could be used to redraw districts. Mr. Bush would have to overturn the rule before the new figures are released publicly, which gives him about a month to act.

Or the president could appoint a new Census Bureau director, who would make the final call on release of sampled data and possibly provide cover to Mr. Bush. Kenneth Prewitt, the bureau's director under former President Clinton and a staunch advocate of sampling, left last month. Career civil servant William Barron, the acting director, would not hesitate to release the sampled data if it showed a noticeable difference, observers say. But it would be nearly impossible for Mr. Bush to get a new director in place in time.

There is still a slim chance that Mr. Bush won't have to make a decision at all. If the Census Bureau finds that the 2000 person-by-person head count was nearly dead-on; there would be no reason to use revised numbers. That is unlikely, but Mr. Prewitt does say the 2000 census was the most accurate count ever taken. Democrats concede that it was probably far more accurate than the 1990 count, which they say underestimated the U.S. population by a net of about four million people, mostly poor people from big cities.

GUARDING 'THEIR CIVIL RIGHTS'

But Rep. Maloney says it is likely that 2000 census, at the very least, missed huge pockets of people of inner cities that ''must have their civil rights protected.''

It is impossible to determine what effect the sampled data will have on the distribution of federal funds until the numbers are released. But if the 1990 census is any indication, it could boost government spending by billions of dollars over 10 years in cities such as New York and Chicago, according to various studies, because the government allocates much of its funds based on population.

Rep. Thomas Davis of Virginia, chairman of the GOP's congressional committee, accuses the Democrats of ''using the funding issue to try to scare people'' and mask their true intent, which is to pick up House seats. ''Every seat counts,'' when a swing of five seats would cost the GOP control of the House, he says. Indeed, experts predict that sampling could significantly increase the number of Democratic voters in as many as 12 House districts currently held by Republicans.

Most of these seats are swing districts on the shoulders of the country's largest cities. Consider Los Angeles. Democrats control the entire redistricting process, which is done by the governor and the state Legislature. If the Census Bureau's sampling data finds that minorities inside Los Angeles were undercounted, it could correct the problem by adding thousands of residents, presumably Democrats, to its original count. When the state redraws its congressional districts, Democrats then could simply draw pockets of minority-rich neighborhoods into GOP districts in neighboring suburbs.

In California alone, Republicans worry that this could cost them at least two House seats. Sampling, says Rep. Blunt, could ''change'' the control of the House.

In the end, it is likely that the courts will decide this dispute. Indeed, both sides have promised to file lawsuits if they lose.

Mr. Speaker, as we all learned in high school, no single action by this government other than the census does more to reapportion political power here and in our State legislatures and local communities. No single action, other than the census, does more to fairly distribute billions in Federal, State, and local tax dollars or private investment. No single act does more to recognize who we are as individuals, or together as communities assembled into a single Nation.

The impact of each new census is far-reaching because each occurs only once every 10 years. We have just completed our 22nd decennial census. Indeed, our fighting men and women have been sent abroad to defend liberty more times than we have conducted a full count of our own people to ensure that liberty is guaranteed.

A successful effort to interfere with a modern scientific count to achieve a purely partisan advantage of one political party over the other, as the Wall Street Journal suggests is under way, denies liberty and disenfranchises the unrepresented for an entire decade. That is why many call this moment in our history the most important civil rights issue of this decade.

Mr. Speaker, I remind this House of the recent election process in Florida. Those who felt denied access to the polls or disenfranchised by having their ballots set aside, or those stripped of their right to choose their political leadership, they still have recourse. Next year they can go to the polls again in local, State, and Federal elections and make their voices heard. Believe me, the whole world will be watching.

To those left out of the census, however, those that are disenfranchised by a purely partisan intervention to ensure that they are not counted or recognized or represented, to them there is no recourse, not for 10 long years. Billions of dollars in Federal funding will be unfairly spent, private investment will be redirected to those less deserving, local planners and school boards will overlook again those uncounted, unless we do everything we can to improve the census and ensure that it is as complete and accurate as possible.

What we are likely to hear tomorrow is that the net national undercount is better than in 1990. It may be 3 million people missed instead of 4 million. In any case, we know that they are most

likely, most probably, minorities and children who are undercounted, the urban and rural poor. Mostly affluent whites have been double-counted. Mr. Speaker, we cannot make up for not counting minorities by double-counting whites.

There are those in the administration rushing to prejudge the results without having all the facts. They claim this is the most accurate census in American history. We hope so, but the whole story is not known.

The key to this challenge is not just how many were missed, but who was missed? Where do they reside? Were some groups missed at higher rates than others? What if we learned that nationally a net of 3 million residents were missed, but that one million were in Florida. Would Florida not insist on an adjustment?

Equality of outcome, for all types of communities and for all population groups, is what we need to ensure the fair allocation of resources to areas most in need, as well as the obvious, equal representation for everyone in our democracy.

This is my pledge to the Members of the House and to those we represent. Through my position on the Census Subcommittee, and through whatever power I can muster, we will ultimately learn if any political influence by this administration is used to interfere with the scientific process of a complete and accurate Census. I led the fight to ensure that career professionals at the Census Bureau would make this decision when the prior Democratic administration was in power. The same process should apply to the new administration. I want to ensure the Secretary of Commerce and the President that we are watching. There can be no more unseemly act than the one suggested in these press accounts. To have the very government elected to serve the people use its power to block the exercise of every political right on the part of millions of Americans is wrong.

We are on the verge in this Nation of redrawing every political jurisdiction in every state from congressional districts to state legislatures to city councils and school boards and even local taxing districts. Only the census numbers which give us the most complete accounting of everyone residing in our country should be used for that purpose. To think that this Federal Government, the very instrument of political empowerment in the last century for people of color, women, and youth, would be turned against those same groups is unimaginable.

We shall not have ended the poll tax, given suffrage to women, lowered the voting age to 18, ensured all qualified citizens the right to vote, arrested those who intimidated voters at the polls, to just turn away now while millions are left uncounted, unrecognized and unempowered. The struggle for full voting rights cannot and must not be undone by the swipe of a political appointee's pen.

PUBLICATION OF THE RULES OF THE COMMITTEE ON ENERGY AND COMMERCE 107TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. TAUZIN) is recognized for 5 minutes.

Mr. TAUZIN. Mr. Speaker, on February 7, 2001, the Committee on Energy and Commerce, meeting in open markup session, adopted the following Rules for the 107th Congress.

RULES FOR THE COMMITTEE ON ENERGY AND COMMERCE 107TH CONGRESS

Rule 1. General Provisions. (a) Rules of the Committee. The Rules of the House are the rules of the Committee on Energy and Commerce (hereinafter the ''Committee'') and its subcommittees so far as is applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable and privileged in the Committee and its subcommittees.

(b) Rules of the Subcommittees. Each subcommittee of the Committee is part of the Committee and is subject to the authority and direction of the Committee and to its rules so far as applicable. Written rules adopted by the Committee, not inconsistent with the Rules of the House, shall be binding on each subcommittee of the Committee.

Rule 2. Time and Place of Meetings. (a) Regular Meeting Days. The Committee shall meet on the fourth Tuesday of each month at 10 a.m., for the consideration of bills, resolutions, and other business, if the House is in session on that day. If the House is not in session on that day and the Committee has not met during such month, the Committee shall meet at the earliest practicable opportunity when the House is again in session. The chairman of the Committee may, at his discretion, cancel, delay, or defer any meeting required under this section, after consultation with the ranking minority member.

(b) Additional Meetings. The chairman may call and convene, as he considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other Committee business. The Committee shall meet for such purposes pursuant to that call of the chairman.

(c) Vice Chairmen; Presiding Member. The chairman shall designate a member of the majority party to serve as vice chairman of the Committee, and shall designate a majority member of each subcommittee to serve as vice chairman of each subcommittee. The vice chairman of the Committee or subcommittee, as the case may be, shall preside at any meeting or hearing during the temporary absence of the chairman. If the chairman and vice chairman of the Committee or subcommittee are not present at any meeting or hearing, the ranking member of the majority party who is present shall preside at the meeting or hearing.

(d) Open Meetings and Hearings. Except as provided by the Rules of the House, each meeting of the Committee or any of its subcommittees for the translated of business, including the markup of legislation, and each hearing, shall be open to the public including to radio, television and still photograph coverage, consistent with the provisions of Rule XI of the Rules of the House.

Rule 3. Agenda. The agenda for each Committee or subcommittee meeting (other than a hearing), setting out the date, time, place, and all items of business to be considered, shall be provided to each member of the Committee at least 36 hours in advance of such meeting.

Rule 4. Procedure. (a)(1) Hearings. The date, time, place, and subject matter of any hearing of the Committee or any of its subcommittees shall be announced at least one week in advance of the commencement of such hearing, unless the Committee or subcommittee determines in accordance with clause 2(g)(3) of Rule XI of the Rules of the House that there is good cause to begin the hearing sooner.

(2)(A) Meetings. The date, time, place, and subject matter of any meeting (other than a hearing) scheduled on a Tuesday, Wednesday, or Thursday when the House will be in session, shall be announced at least 36 hours (exclusive of Saturdays, Sundays, and legal holidays except when the House is in session on such days) in advance of the commencement of such meeting.

(B) Other Meetings. The date, time, place, and subject matter of a meeting (other than a hearing or a meeting to which subparagraph (A) applies) shall be announced at least 72 hours in advance of the commencement of such meeting.

(b)(1) Requirements for Testimony. Each witness who is to appear before the Committee or a subcommittee shall file with the clerk of the Committee, at least two working days in advance of his or her appearance, sufficient copies, as determined by the chairman of the Committee or a subcommittee, of a written statement of his or her proposed testimony to provide to members and staff of the Committee or subcommittee, the news media, and the general public. Each witness shall, to the greatest extent practicable, also provide a copy of such written testimony in an electronic format prescribed by the chairman. Each witness shall limit his or her oral presentation to a brief summary of the argument. The chairman of the Committee or subcommittee, or the presiding member, may waive the requirements of this paragraph or any part thereof.

(2) Additional Requirements for Testimony. To the greatest extent practicable, the written testimony of each witness appearing in a non-government capacity shall include a curriculum vitae and disclosure of the amount and source (by agency and program) of any federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two preceding fiscal years by the witness or by an entity represented by the witness.

(c) Questioning Witnesses. The right to interrogate the witnesses before the Committee or any of its subcommittees shall alternate between majority and minority members. Each member shall be limited to 5 minutes in the interrogation of witnesses until such time as each member who so desires has had an opportunity to question witnesses. No member shall be recognized for a second period of 5 minutes to interrogate a witness until each member of the Committee present has been recognized once for that purpose. While the Committee or subcommittee is operating under the 5-minute rule for the interrogation of witnesses, the chairman shall recognize in order of appearance members who were not present when the meeting was called to order after all members who were present when the meeting was called to order have been recognized in the order of seniority on the Committee or subcommittee, as the case may be.

(d) Explanation of Subcommittee Action. No bill, recommendation, or other matter reported by a subcommitt4ee shall be considered by the full explanation, has been available to members of the Committee for at least 36 hours. Such explanation shall include a summary of the major provisions of the legislation, an explanation of the relationship of the matter to present law, and a summary of the need for the legislation. All subcommittee actions shall be reported promptly by the clerk of the Committee to all members of the Committee.

(e) Opening Statements. Opening statements by members at the beginning of any hearing or markup of the Committee or any of its subcommittees shall be limited to 5 minutes each for the chairman and ranking minority member (or their respective designee) of the Committee or subcommittee, as

applicable, and 3 minutes each for all other members.

Rule 5. Waiver of Agenda, Notice, and Layover Requirements. Requirements of rules 3, 4(a)(2), and 4(d) may be waived by a majority of those present and voting (a majority being present) of the Committee or subcommittee, as the case may be.

Rule 6. Quorum. Testimony may be taken and evidence received at any hearing at which there are present not fewer than two members of the Committee or subcommittee in question. A majority of the member of the Committee shall constitute a quorum for the purposes of reporting any measure or matter, or authorizing a subpoena, or of closing a meeting or hearing pursuant to clause 2(g) of Rule XI of the Rules of the House (except as provided in clause 2(g)(2)(A) and (B)). For the purposes of taking any action other than those specified in the preceding sentence, one-third of the members of the Committee or subcommittee shall constitute a quorum.

Rule 7. Official Committee Records. (a)(1) Journal. The proceedings of the Committee shall be recorded in a journal which shall, among other things, show those present at each meeting, and include a record of the vote on any question on which a record vote is demanded and a description of the amendment, motion, order, or other proposition voted. A copy of the journal shall be furnished to the ranking minority member.

(2) Recorded Votes. A record vote may be demanded by one-fifth of the members present or, in the apparent absence of a quorum, by any one member. No demand for a record vote shall be made or obtained except for the purpose of procuring a record vote or in the apparent absence of a quorum. The result of each record vote in any meeting of the Committee shall be made available in the Committee office for inspection by the public, as provided in Rule XI, clause 2(e) of the Rules of the House.

(b) Archived Records. The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with Rule VII of the Rules of the House. The chairman shall notify the ranking minority member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of the Rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on the written request of any member of the Committee. The chairman shall consult with the ranking minority member on any communication from the Archivist of the United States or the Clerk of the House concerning the disposition of noncurrent records pursuant to clause 3(b) of the Rule.

Rule 8. Subcommittees. There shall be such standing subcommittees with such jurisdiction and size as determined by the majority party caucus of the Committee. The jurisdiction, number, and size of the subcommittees shall be determined by the majority party caucus prior to the start of the process for establishing subcommittee chairmanships and assignments.

Rule 9. Powers and Duties of Subcommittees. Each subcommittee is authorized to meet, hold hearings, receive testimony, mark up legislation, and report to the Committee on all matters referred to it. Subcommittee chairmen shall set hearing and meeting dates only with the approval of the chairman of the Committee with a view toward assuring the availability of meeting rooms and avoiding simultaneous scheduling of Committee and subcommittee meetings or hearings whenever possible.

Rule 10. Reference of Legislation and Other Matters. All legislation and other matters referred to the Committee shall be referred to the subcommittee of appropriate jurisdiction within two weeks of the date of receipt by the Committee unless action is taken by the full committee within those two weeks, or by majority vote of the members of the Committee, consideration is to be by the full Committee. In the case of legislation or other matter within the jurisdiction of more than one subcommittee, the chairman of the Committee may, in his discretion, refer the matter simultaneously to two or more subcommittees for concurrent consideration, or may designate a subcommittee of primary jurisdiction and also refer the matter to one or more additional subcommittees for consideration in sequence (subject to appropriate time limitations), either on its initial referral or after the matter has been reported by the subcommittee of primary jurisdiction. Such authority shall include the authority to refer such legislation or matter to an ad hoc subcommittee appointed by the chairman, with the approval of the Committee, from the members of the subcommittee having legislative or oversight jurisdiction.

Rule 11. Ratio of Subcommittees. The majority caucus of the Committee shall determine an appropriate ratio of majority to minority party members for each subcommittee and the chairman shall negotiate that ratio with the minority party, provided that the ratio of party members on each subcommittee shall be no less favorable to the majority than that of the full Committee, nor shall such ratio provide for a majority of less than two majority members.

Rule 12. Subcommittee Membership. (a) Selection of Subcommittee Members. Prior to any organizational meeting held by the Committee, the majority and minority caucuses shall select their respective members of the standing subcommittee.

(b) Ex Officio Members. The chairman and ranking minority member of the Committee shall be ex officio members with voting privileges of each subcommittee of which they are not assigned as members and may be counted for purposes of establishing a quorum in such subcommittees.

Rule 13. Managing Legislation on the House Floor. The chairman, in his discretion, shall designate which member shall manage legislation reported by the Committee to the House.

Rule 14. Committee Professional and Clerical Staff Appointments. (a) Delegation of Staff. Whenever the chairman of the Committee determines that any professional staff member appointed pursuant to the provisions of clause 9 of Rule X of the House of Representatives, who is assigned to such chairman and not to the ranking minority member, by reason of such professional staff member's expertise or qualifications will be of assistance to one or more subcommittees in carrying out their assigned responsibilities, he may delegate such member to such subcommittees for such purpose. A delegation of a member of the professional staff pursuant to this subsection shall be made after consultation with subcommittee chairmen and with the approval of the subcommittee chairman or chairmen involved.

(b) Minority Professional Staff. Professional staff members appointed pursuant to clause 9 of Rule X of the House of Representatives, who are assigned to the ranking minority member of the Committee and not to the chairman of the Committee, shall be assigned to such Committee business as the minority party members of the Committee consider advisable.

(c) Additional Staff Appointments. In addition to the professional staff appointed pursuant to clause 9 of Rule X of the House of Representatives, the chairman of the Committee shall be entitled to make such appointments to the professional and clerical staff of the Committee as may be provided within the budget approved for such purposes by the Committee. Such appointee shall be assigned to such business of the full Committee as the chairman of the Committee considers advisable.

(d) Sufficient Staff. The chairman shall ensure that sufficient staff is made available to each subcommittee to carry out its responsibilities under the rules of the Committee.

(e) Fair Treatment of Minority Members in Appointment of Committee Staff. The chairman shall ensure that the minority members of the Committee are treated fairly in appointment of Committee staff.

(f) Contracts for Temporary or Intermittent Services. Any contract for the temporary services or intermittent service of individual consultants or organizations to make studies or advise the Committee or its subcommittees with respect to any matter within their jurisdiction shall be deemed to have been approved by a majority of the members of the Committee if approved by the chairman and ranking minority member of the Committee. Such approval shall not be deemed to have been given if at least one-third of the members of the Committee request in writing that the Committee formally act on such a contract, if the request is made within 10 days after the latest date on which such chairman or chairmen, and such ranking minority member or members, approve such contract.

Rule 15. Supervision, Duties of Staff. (a) Supervision of Majority Staff. The professional and clerical staff of the Committee not assigned to the minority shall be under the supervision and direction of the chairman who, in consultation with the chairmen of the subcommittees, shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he determines appropriate.

(b) Supervision of Minority Staff. The professional and clerical staff assigned to the minority shall be under the supervision and direction of the minority members of the Committee, who may delegate such authority as they determine appropriate.

Rule 16. Committee Budget. (a) Preparation of the Committee Budget. The chairman of the Committee, after consultation with the ranking minority member of the Committee and the chairmen of the subcommittees, shall for the 107th Congress prepare a preliminary budget for the Committee, with such budget including necessary amounts for professional and clerical staff, travel, investigations, equipment and miscellaneous expenses of the Committee and the subcommittees, and which shall be adequate to fully discharge the Committee's responsibilities for legislation and oversight. Such budget shall be presented by the chairman to the majority party caucus of the Committee and thereafter to the full Committee for its approval.

(b) Approval of the Committee Budget. The chairman shall take whatever action is necessary to have the budget as finally approved by the Committee duly authorized by the House. No proposed Committee budget may be submitted to the Committee on House Administration unless it has been presented to and approved by the majority party caucus and thereafter by the full Committee. The chairman of the Committee may authorize all necessary expenses in accordance with these rules and within the limits of the Committee's budget as approved by the House.

(c) Monthly Expenditures Report. Committee members shall be furnished a copy of each monthly report, prepared by the chairman for the Committee on House Administration, which shows expenditures made during the reporting period and cumulative for the year by the Committee and subcommittees, anticipated expenditures for the projected Committee program, and detailed information on travel.

Rule 17. Broadcasting of Committee Hearings. Any meeting or hearing that is open to the public may be covered in whole or in part by radio or television or still photography, subject to the requirements of clause 4 of Rule XI of the Rules of the House. The coverage of any hearing or other proceeding of the Committee or any subcommittee thereof by television, radio, or still photography shall be under the direct supervision of the chairman of the Committee, the subcommittee chairman, or other member of the Committee presiding at such hearing or other proceeding and may be terminated by such member in accordance with the Rules of the House.

Rule 18. Comptroller General Audits. The chairman of the Committee is authorized to request verification examinations by the Comptroller General of the United States pursuant to Title V, Part A of the Energy Policy and Conservation Act (Public Law 94–163), after consultation with the members of the Committee.

Rule 19. Subpoenas. The Committee, or any subcommittee, may authorize and issue a subpoena under clause 2(m)(2)(A) of Rule XI of the House, if authorized by a majority of the members of the Committee or subcommittee (as the case may be) voting, a quorum being present. Authorized subpoenas may be issued over the signature of the chairman of the Committee or any member designated by the Committee, and may be served by any person designated by such chairman or member. The chairman of the Committee may authorize and issue subpoenas under such clause during any period for which the House has adjourned for a period in excess of 3 days when, in the opinion of the chairman, authorization and issuance of the subpoena is necessary to obtain the material set forth in the subpoena. The chairman shall report to the members of the Committee on the authorization and issuance of a subpoena during the recess period as soon as practicable but in no event later than one week after service of such subpoena.

Rule 20. Travel of Members and Staff. (a) Approval of Travel. Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, travel to be reimbursed from funds set aside for the Committee for any member or any staff member shall be paid only upon the prior authorization of the chairman. Travel may be authorized by the chairman for any member and any staff member in connection with the attendance of hearings conducted by the Committee or any subcommittee thereof and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the Committee. Before such authorization is given there shall be submitted to the chairman in writing the following: (1) the purpose of the travel; (2) the dates during which the travel is to be made and the date or dates of the event for which the travel is being made; (3) the location of the event for which the travel is being made; and (4) the names of members and staff seeking authorization.

(b) Approval of Travel by Minority Members and Staff. In the case of travel by minority party members and minority party professional staff for the purpose set out in (a), the prior approval, not only of the chairman but also of the ranking minority member, shall be required. Such prior authorization shall be given by the chairman only upon the representation by the ranking minority member in writing setting forth those items enumerated in (1), (2), (3), and (4) of paragraph (a).

COMMENDING THE COURAGE OF STUDENTS AT WOODBURN HIGH SCHOOL AND FAMILY OF KARINA AND MARTINA GONZALEZ

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Oregon (Ms. HOOLEY) is recognized for 5 minutes.

Ms. HOOLEY of Oregon. Mr. Speaker, I rise today to recognize the strength and compassion of Woodburn, a small town in my district, when they faced a tragedy.

On December 4, 2000, Karina Gonzalez, a high school student, and her mother, Martina Meza Gonzalez, were walking home after receiving an outstanding report in her parent-teacher conference. While the mother and daughter were crossing the busy Highway 214, they were hit and killed. This was a senseless tragedy that could have been avoided by a proper crosswalk and lighting of this popular crossing area.

This was not the first time that an accident such as this had happened on that same stretch of highway. In response to the accident, students conducted a survey of students who cross that busy highway in order to get to school.

□ 1900

They wrote letters to State leaders, testified before State legislative committees to encourage change. Because of the students demanding a solution, improvements have been made to the highway by creating a pedestrian island with a promise of lighting and other solutions.

The action the community took proves that when people work together, they can make positive changes.

Mr. Speaker, in light of the tragic death of two special people, the Woodburn community banded together to make their voices heard and to prevent this kind of accident in the future.

I commend the courage of the students of Woodburn High School, the Woodburn community and the family of Karina and Martina Gonzalez for their activism in face of this tragedy and their willingness to be involved in the democratic process to make positive change. My congratulations to them.

PUBLICATION OF THE RULES OF THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, 107TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, attached is a copy of the Rules of the Committee on Transportation and Infrastructure of the U.S. House of Representatives. These Rules were adopted by the Committee on Transportation and Infrastructure by voice vote on February 7, 2001. We are submitting these Rules to the CONGRESSIONAL RECORD for publication in compliance with Rule XI, Clause 2(a)(2).

RULES OF THE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

(Adopted February 7, 2001)

Rule I.—General Provisions

(a) *Applicability of House Rules.*—(1) The Rules of the House are the rules of the Committee and its subcommittees so far as applicable, except that a motion to recess from day to day, and a motion to dispense with the first reading (in full) of a bill or resolution, if printed copies are available, are nondebatable privileged motions in the Committee and its subcommittees.

(2) Each subcommittee is part of the Committee, and is subject to the authority and direction of the Committee and its rules so far as applicable.

(3) Rule XI of the Rules of the House, which pertains entirely to Committee procedure, is incorporated and made a part of the rules of the Committee to the extent applicable.

(b) *Authority to Conduct Investigations.*—The Committee is authorized at any time to conduct such investigations and studies as it may consider necessary or appropriate in the exercise of its responsibilities under Rule X of the Rules of the House and (subject to the adoption of expense resolutions as required by Rule X, clause 6 of the Rules of the House) to incur expenses (including travel expenses) in connection therewith.

(c) *Authority to Print.*—The Committee is authorized to have printed and bound testimony and other data presented at hearings held by the Committee. All costs of stenographic services and transcripts in connection with any meeting or hearing of the Committee shall be paid as provided in clause 1(c) of Rule XI of the House.

(d) *Activities Report.*—(1) The Committee shall submit to the House, not later than January 2 of each odd-numbered year, a report on the activities of the Committee under Rules X and XI of the Rules of the House during the Congress ending on January 3 of such year.

(2) Such report shall include separate sections summarizing the legislative and oversight activities of the Committee during that Congress.

(3) The oversight section of such report shall include a summary of the oversight plans submitted by the Committee pursuant to clause 2(d) of Rule X of the Rules of the House, a summary of the actions taken and recommendations made with respect to each such plan, and a summary of any additional oversight activities undertaken by the Committee, and any recommendations made or actions taken thereon.

(e) *Publication of Rules.*—The Committee's rules shall be published in the Congressional Record not later than 30 days after the Committee is elected in each odd-numbered year.

Rule II.—Regular, Additional and Special Meetings

(a) *Regular Meetings.*—Regular meetings of the Committee shall be held on the first Wednesday of every month to transact its business unless such day is a holiday, or the House is in recess or is adjourned, in which case the Chairman shall determine the regular meeting day of the Committee for that month. The Chairman shall give each member of the Committee, as far in advance of the day of the regular meeting as the circumstances make practicable, a written notice of such meeting and the matters to be considered at such meeting. If the Chairman believes that the Committee will not be considering any bill or resolution before the full Committee and that there is no other business to be transacted at a regular meeting, the meeting may be canceled or it may be deferred until such time as, in the judgment of the Chairman, there may be matters

which require the Committee's consideration. This paragraph shall not apply to meetings of any subcommittee.

(b) *Additional meetings*.—The Chairman may call and convene, as he or she considers necessary, additional meetings of the Committee for the consideration of any bill or resolution pending before the Committee or for the conduct of other committee business. The Committee shall meet for such purpose pursuant to the call of the Chairman.

(c) *Special Meetings*.—If at least three members of the Committee desire that a special meeting of the Committee be called by the Chairman, those members may file in the offices of the Committee their written request to the Chairman for that special meeting. Such request shall specify the measure or matter to be considered. Immediately upon the filing of the request, the clerk of the Committee shall notify the Chairman of the filing of the request. If, within 3 calendar days after the filing of the request, the Chairman does not call the requested special meeting to be held within 7 calendar days after the filing of the request, a majority of the members of the Committee may file in the offices of the Committee their written notice that a special meeting of the Committee will be held, specifying the date and hour thereof, and the measure or matter to be considered at that special meeting. The Committee shall meet on that date and hour. Immediately upon the filing of the notice, the clerk of the Committee shall notify all members of the Committee that such meeting will be held and inform them of its date and hour and the measure or matter to be considered; and only the measure or matter specified in that notice may be considered at that special meeting.

(d) *Vice Chairman*.—The Chairman shall appoint a vice chairman of the Committee and of each subcommittee. If the Chairman of the Committee or subcommittee is not present at any meeting of the Committee or subcommittee, as the case may be, the vice chairman shall preside. If the vice chairman is not present, the ranking member of the majority party on the Committee or subcommittee who is present shall preside at that meeting.

(e) *Prohibition on Sitting During Joint Session*.—The Committee may not sit during a joint session of the House and Senate or during a recess when a joint meeting of the House and Senate is in progress.

(f) *Addressing the Committee*.—(1) A Committee member may address the Committee or a subcommittee on any bill, motion, or other matter under consideration or may question a witness at a hearing——

(A) only when recognized by the Chairman for that purpose; and

(B) subject to subparagraphs (2) and (3), only for 5 minutes until such time as each member of the Committee or subcommittee who so desires has had an opportunity to address the Committee or subcommittee or question the witness.

A member shall be limited in his or her remarks to the subject matter under consideration. The Chairman shall enforce this subparagraph.

(2) The Chairman of the Committee or a subcommittee, with the concurrence of the ranking minority member, or the Committee or subcommittee by motion, may permit a specified number of its members to question a witness for longer than 5 minutes. The time for extended questioning of a witness under this subdivision shall be equal for the majority party and minority party and may not exceed one hour in the aggregate.

(3) The Chairman of the Committee or a subcommittee, with the concurrence of the ranking minority member, or the Committee or subcommittee by motion, may permit committee staff for its majority and minority party members to question a witness for equal specified periods. The time for extended questioning of a witness under this subdivision shall be equal for the majority party and minority party and may not exceed one hour in the aggregate.

(4) Nothing in subparagraph (2) or (3) affects the right of a Member (other than a Member designated under subparagraph (2)) to question a witness for 5 minutes in accordance with subparagraph (1)(B) after the questioning permitted under subparagraph (2) or (3).

(g) *Meetings to Begin Promptly*.—Each meeting or hearing of the Committee shall begin promptly at the time so stipulated in the public announcement of the meeting or hearing.

(h) *Access to the Dais and Lounges*.—Access to the hearing rooms' daises and to the lounges adjacent to the Committee hearing rooms shall be limited to Members of Congress and employees of Congress during a meeting or hearing of the Committee unless specifically permitted by the Chairman or ranking minority member.

(i) *Use of Cellular Telephones*.—The use of cellular telephones in the Committee hearing room is prohibited during a meeting or hearing of the Committee.

Rule III.—Open Meetings and Hearings; Broadcasting

(a) *Open Meetings*.—Each meeting for the transaction of business, including the markup of legislation, and each hearing of the Committee or a subcommittee shall be open to the public, except as provided by clause 2(g) of Rule XI of the Rules of the House.

(b) *Broadcasting*.—Whenever a meeting for the transaction of business, including the markup of legislation, or a hearing is open to the public, that meeting or hearing shall be open to coverage by television, radio, and still photography in accordance with clause 4 of Rule XI of the Rules of the House. Operation and use of any Committee internet broadcast system shall be fair and nonpartisan and in accordance with clause 4(b) of Rule XI and all other applicable rules of the Committee and the House.

Rule IV.—Records and Record Votes

(a) *Keeping of Records*.—The Committee shall keep a complete record of all Committee action which shall include——

(1) in the case of any meeting or hearing transcripts, a substantially verbatim account of remarks actually made during the proceedings, subject only to technical, grammatical and typographical corrections authorized by the person making the remarks involved, and

(2) a record of the votes on any question on which a record vote is demanded.

The result of each such record vote shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition, and the names of those members present but not voting. A record vote may be demanded by one-fifth of the members present.

(b) *Property of the House*.—All Committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the member serving as Chairman of the Committee; and such records shall be the property of the House and all members of the House shall have access thereto.

(c) *Availability of Archived Records*.—The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with Rule VII of the Rules of the House. The Chairman shall notify the ranking minority member of the Committee of any decision, pursuant to clause 3(b)(3) or clause 4(b) of such rule, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on written request of any member of the Committee.

Rule V.—Power To Sit and Act; Subpoena Power

(a) *Authority to Sit and Act*.—For the purpose of carrying out any of its functions and duties under Rules X and XI of the Rules of the House, the Committee and each of its subcommittees, is authorized (subject to paragraph (b)(1) of this rule)——

(1) to sit and act at such times and places within the United States whether the House is in session, has recessed, or has adjourned and to hold such hearings, and

(2) to require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents, as it deems necessary. The Chairman of the Committee, or any member designated by the Chairman, may administer oaths to any witness.

(b) *Issuance of Subpoenas*.—(1) A subpoena may be issued by the Committee or subcommittee under paragraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, only when authorized by a majority of the members voting, a majority being present. Such authorized subpoenas shall be signed by the Chairman of the Committee or by any member designated by the Committee. If a specific request for a subpoena has not been previously rejected by either the Committee or subcommittee, the Chairman of the Committee, after consultation with the ranking minority member of the Committee, may authorize and issue a subpoena under paragraph (a)(2) in the conduct of any investigation or activity or series of investigations or activities, and such subpoena shall for all purposes be deemed a subpoena issued by the Committee. As soon as practicable after a subpoena is issued under this rule, the Chairman shall notify all members of the Committee of such action.

(2) Compliance with any subpoena issued by the Committee or subcommittee under paragraph (a)(2) may be enforced only as authorized or directed by the House.

(c) *Expenses of Subpoenaed Witnesses*.—Each witness who has been subpoenaed, upon the completion of his or her testimony before the Committee or any subcommittee, may report to the offices of the Committee, and there sign appropriate vouchers for travel allowances and attendance fees. If hearings are held in cities other than Washington, DC, the witness may contact the counsel of the Committee, or his or her representative, before leaving the hearing room.

Rule VI.—Quorums

(a) *Working Quorum*.—One-third of the members of the Committee or a subcommittee shall constitute a quorum for taking any action other than the closing of a meeting pursuant to clauses 2(g) and 2(k)(5) of Rule XI of the Rules of the House, the authorizing of a subpoena pursuant to paragraph (b) of Committee rule V, the reporting of a measure or recommendation pursuant to paragraph (b)(1) of Committee Rule VIII, and the actions described in paragraphs (b), (c) and (d) of this rule.

(b) *Quorum for Reporting*.—A majority of the members of the Committee or a subcommittee shall constitute a quorum for the reporting of a measure or recommendation.

(c) *Approval of Certain Matters.*—A majority of the members of the Committee or a subcommittee shall constitute a quorum for approval of a resolution concerning any of the following actions:

(1) A prospectus for construction, alteration, purchase or acquisition of a public building or the lease of space as required by section 7 of the Public Buildings Act of 1959.

(2) Survey investigation of a proposed project for navigation, flood control, and other purposes by the Corps of Engineers (section 4 of the Rivers and Harbors Act of March 4, 1913, 33 U.S.C. 542).

(3) Construction of a water resources development project by the Corps of Engineers with an estimated Federal cost not exceeding $15,000,000 (section 201 of the Flood Control Act of 1965).

(4) Deletion of water quality storage in a Federal reservoir project where the benefits attributable to water quality are 15 percent or more but not greater than 25 percent of the total project benefits (section 65 of the Water Resources Development Act of 1974).

(5) Authorization of a Natural Resources Conservation Service watershed project involving any single structure of more than 4,000 acre feet of total capacity (section 2 of P.L. 566, 83rd Congress).

(d) *Quorum for Taking Testimony.*—Two members of the Committee or subcommittee shall constitute a quorum for the purpose of taking testimony and receiving evidence.

Rule VII.—Hearing Procedures

(a) *Announcement.*—The Chairman, in the case of a hearing to be conducted by the Committee, and the appropriate subcommittee chairman, in the case of a hearing to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of such hearing at least one week before the hearing. If the Chairman or the appropriate subcommittee chairman, as the case may be, with the concurrence of the ranking minority member of the Committee or subcommittee as appropriate, determines there is good cause to begin the hearing sooner, or if the Committee or subcommittee so determines by majority vote, a quorum being present for the transaction of business, the Chairman shall make the announcement at the earliest possible date. The clerk of the Committee shall promptly notify the Daily Digest Clerk of the Congressional Record and shall promptly enter the appropriate information into the Committee scheduling service of the House Information Resources as soon as possible after such public announcement is made.

(b) *Written Statement; Oral Testimony.*—So far as practicable, each witness who is to appear before the Committee or a subcommittee shall file with the clerk of the Committee or subcommittee, at least 2 working days before the day of his or her appearance, a written statement of proposed testimony and shall limit his or her oral presentation to a summary of the written statement.

(c) *Minority witnesses.*—When any hearing is conducted by the Committee or any subcommittee upon any measure or matter, the minority party members on the Committee or subcommittee shall be entitled, upon request to the Chairman by a majority of those minority members before the completion of such hearing, to call witnesses selected by the minority to testify with respect to that measure or matter during at least one day of hearing thereon.

(d) *Summary of Subject Matter.*—Upon announcement of a hearing, to the extent practicable, the Committee shall make available immediately to all members of the Committee a concise summary of the subject matter (including legislative reports and other material) under consideration. In addition, upon announcement of a hearing and subsequently as they are received, the Chairman shall make available to the members of the Committee any official reports from departments and agencies on such matter.

(e) *Questioning of Witnesses.*—The questioning of witnesses in Committee and subcommittee hearings shall be initiated by the Chairman, followed by the ranking minority member and all other members alternating between the majority and minority parties. In recognizing members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority nor the members of the minority. The Chairman may accomplish this by recognizing two majority members for each minority member recognized.

(f) *Investigative Hearings.*—(1) Clause 2(k) of Rule XI of the Rules of the House (relating to additional rules for hearings) applies to hearings of the Committee and its subcommittees.

(2) A subcommittee may not begin a major investigation without approval of a majority of such subcommittee.

(g) *Participation of Members in Subcommittee meetings and hearings.*—All members of the Committee who are not members of a particular Subcommittee may, by unanimous consent of the members of the such Subcommittee, participate in any subcommittee meeting or hearing. However, a member who is not a member of the Subcommittee may not vote on any matter before the Subcommittee, be counted for purposes of establishing a quorum, or raise points of order.

Rule VIII.—Procedures For Reporting Bills and Resolutions

(a) *Filing of Reports.*—(1) The Chairman of the Committee shall report promptly to the House any measure or matter approved by the Committee and take necessary steps to bring the measure or matter to a vote.

(2) The report of the Committee on a measure or matter which has been approved by the Committee shall be filed within 7 calendar days (exclusive of days on which the House is not in session) after the day on which there has been filed with the clerk of the Committee a written request, signed by a majority of the members of the Committee, for the reporting of that measure or matter. Upon the filing of any such request, the clerk of the Committee shall transmit immediately to the Chairman of the Committee notice of the filing of that request.

(b) *Quorum; Record Votes.*—(1) No measure,matter or recommendation shall be reported from the Committee unless a majority of the Committee was actually present.

(2) With respect to each record vote on a motion to report any measure or matter of a public character, and on any amendment offered to the measure or matter, the total number of votes cast for and against, and the names of those members voting for and against, shall be included in the Committee report on the measure or matter.

(c) *Required Matters.*—The report of the Committee on a measure or matter which has been approved by the Committee shall include the items required to be included by clauses 2(c) and 3 of Rule XIII of the Rules of the House.

(d) *Additional Views.*—If, at the time of approval of any measure or matter by the Committee, any member of the Committee gives notice of intention to file supplemental, minority, or additional views, that member shall be entitled to not less than two additional calendar days after the day of such notice (excluding Saturdays, Sundays, and legal holidays) in which to file such views in accordance with clause 2(1) of Rule XI of the Rules of the House.

(e)(1) *Approval of Committee Views.*—All Committee and subcommittee prints, reports, documents, or other materials, not otherwise provided for under this rule, that purport to express publicly the views of the Committee or any of its subcommittees or members of the Committee or its subcommittees shall be approved by the Committee or the subcommittee prior to printing and distribution and any member shall be given an opportunity to have views included as part of such material prior to printing, release and distribution in accordance with paragraph (d) of this rule.

(2) A Committee or subcommittee document containing views other than those of members of the Committee or subcommittee shall not be published without approval of the Committee or subcommittee.

Rule IX.—Oversight

(a) *Purpose.*—The Committee shall carry out oversight responsibilities as provided in this rule in order to assist the House in———

(1) its analysis, appraisal, and evaluation of (A) the application, administration, execution, and effectiveness of the laws enacted by the Congress, or (B) conditions and circumstances which may indicate the necessity or desirability of enacting new or additional legislation, and

(2) its formulation, consideration, and enactment of such modifications or changes in those laws, and of such additional legislation, as may be necessary or appropriate.

(b) *Oversight Plan.*—Not later than February 15 of the first session of each Congress, the Committee shall adopt its oversight plans for that Congress in accordance with clause 2(d)(1) of Rule X of the Rules of the House.

(c) *Review of Laws and Programs.*—The Committee and the appropriate subcommittees shall cooperatively review and study, on a continuing basis, the application, administration, execution, and effectiveness of those laws, or parts of laws, the subject matter of which is within the jurisdiction of the Committee, and the organization and operation of the Federal agencies and entities having responsibilities in or for the administration and execution thereof, in order to determine whether such laws and the programs thereunder are being implemented and carried out in accordance with the intent of the Congress and whether such programs should be continued, curtailed, or eliminated. In addition, the Committee and the appropriate subcommittees shall cooperatively review and study any conditions or circumstances which may indicate the necessity or desirability of enacting new or additional legislation within the jurisdiction of the Committee (whether or not any bill or resolution has been introduced with respect thereto), and shall on a continuing basis undertake future research and forecasting on matters within the jurisdiction of the Committee.

(d) *Review of Tax Policies.*—The Committee and the appropriate subcommittees shall cooperatively review and study on a continuing basis the impact or probable impact of tax policies affecting subjects within the jurisdiction of the Committee.

Rule X.—Review of Continuing Programs; Budget Act Provisions

(a) *Ensuring Annual Appropriations.*—The Committee shall, in its consideration of all bills and joint resolutions of a public character within its jurisdiction, ensure that appropriations for continuing programs and activities of the Federal Government and the District of Columbia government will be

made annually to the maximum extent feasible and consistent with the nature, requirements, and objectives of the programs and activities involved.

(b) *Review of Multi-year Appropriations.*—The Committee shall review, from time to time, each continuing program within its jurisdiction for which appropriations are not made annually in order to ascertain whether such program could be modified so that appropriations therefore would be made annually.

(c) *Views and Estimates.*—The Committee shall, on or before February 25 of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amount of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year.

(d) *Budget Allocations.*—As soon as practicable after a concurrent resolution on the budget for any fiscal year is agreed to, the Committee (after consulting with the appropriate committee or committees of the Senate) shall subdivide any allocations made to it in the joint explanatory statement accompanying the conference report on such resolution, and promptly report such subdivisions to the House, in the manner provided by section 302 or section 602 (in the case of fiscal years 1991 through 1995) of the Congressional Budget Act of 1974.

(e) *Reconciliation.*—Whenever the Committee is directed in a concurrent resolution on the budget to determine and recommend changes in laws, bills, or resolutions under the reconciliation process, it shall promptly make such determination and recommendations, and report a reconciliation bill or resolution (or both) to the House or submit such recommendations to the Committee on the Budget, in accordance with the Congressional Budget Act of 1974.

Rule XI.—Committee Budgets

(a) *Biennial Budget.*—The Chairman, in consultation with the chairman of each subcommittee, the majority members of the Committee and the minority members of the Committee, shall, for each Congress, prepare a consolidated Committee budget. Such budget shall include necessary amounts for staff personnel, necessary travel, investigation, and other expenses of the Committee.

(b) *Additional Expenses.*—Authorization for the payment of additional or unforeseen Committee expenses may be procured by one or more additional expense resolutions processed in the same manner as set out herein.

(c) *Travel Requests.*—The Chairman or any chairman of a subcommittee may initiate necessary travel requests as provided in Committee Rule XIII within the limits of the consolidated budget as approved by the House and the Chairman may execute necessary vouchers thereof.

(d) *Monthly Reports.*—Once monthly, the Chairman shall submit to the Committee on House Administration, in writing, a full and detailed accounting of all expenditures made during the period since the last such accounting from the amount budgeted to the Committee. Such report shall show the amount and purpose of such expenditure and the budget to which such expenditure is attributed. A copy of such monthly report shall be available in the Committee office for review by members of the Committee.

Rule XII.—Committee Staff

(a) *Appointment by Chairman.*—The Chairman shall appoint and determine the remuneration of, and may remove, the employees of the Committee not assigned to the minority. The staff of the Committee not assigned to the minority shall be under the general supervision and direction of the Chairman, who shall establish and assign the duties and responsibilities of such staff members and delegate such authority as he or she determines appropriate.

(b) *Appointment by Ranking Minority Member.*—The ranking minority member of the Committee shall appoint and determine the remuneration of, and may remove, the staff assigned to the minority within the budget approved for such purposes. The staff assigned to the minority shall be under the general supervision and direction of the ranking minority member of the Committee who may delegate such authority as he or she determines appropriate.

(c) *Intention Regarding Staff.*—It is intended that the skills and experience of all members of the Committee staff shall be available to all members of the Committee.

Rule XIII.—Travel of Members and Staff

(a) *Approval.*—Consistent with the primary expense resolution and such additional expense resolutions as may have been approved, the provisions of this rule shall govern travel of Committee members and staff. Travel to be reimbursed from funds set aside for the Committee for any member or any staff member shall be paid only upon the prior authorization of the Chairman. Travel shall be authorized by the Chairman for any member and any staff member in connection with the attendance of hearings conducted by the Committee or any subcommittee and meetings, conferences, and investigations which involve activities or subject matter under the general jurisdiction of the Committee. Before such authorization is given there shall be submitted to the Chairman inwriting the following:

(1) the purpose of the travel;

(2) the dates during which the travel is to be made and the date or dates of the event for which the travel is being made;

(3) the location of the event for which the travel is to be made;

(4) the names of members and staff seeking authorization.

(b) *Subcommittee Travel.*—In the case of travel of members and staff of a subcommittee to hearings, meetings, conferences, and investigations involving activities or subject matter under the legislative assignment of such subcommittee, prior authorization must be obtained from the subcommittee chairman and the Chairman. Such prior authorization shall be given by the Chairman only upon the representation by the chairman of such subcommittee in writing setting forth those items enumerated in subparagraphs (1), (2), (3), and (4) of paragraph (a) and that there has been a compliance where applicable with Committee Rule VII.

(c) *Travel Outside the United States.*—(1) In the case of travel outside the United States of members and staff of the Committee or of a subcommittee for the purpose of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the Committee or pertinent subcommittee, prior authorization must be obtained from the Chairman, or, in the case of a subcommittee from the subcommittee chairman and the Chairman. Before such authorization is given there shall be submitted to the Chairman, in writing, a request for such authorization. Each request, which shall be filed in a manner that allows for a reasonable period of time for review before such travel is scheduled to begin, shall include the following:

(A) the purpose of the travel;

(B) the dates during which the travel will occur;

(C) the names of the countries to be visited and the length of time to be spent in each;

(D) an agenda of anticipated activities for each country for which travel is authorized together with a description of the purpose to be served and the areas of Committee jurisdiction involved; and

(E) the names of members and staff for whom authorization is sought.

(2) Requests for travel outside the United States may be initiated by the Chairman or the chairman of a subcommittee (except that individuals may submit a request to the Chairman for the purpose of attending a conference or meeting) and shall be limited to members and permanent employees of the Committee.

(3) At the conclusion of any hearing, investigation, study, meeting or conference for which travel has been authorized pursuant to this rule, each staff member involved in such travel shall submit a written report to the Chairman covering the activities and other pertinent observations or information gained as a result of such travel.

(d) *Applicability of Laws, Rules, Policies.*—Members and staff of the Committee performing authorized travel on official business shall be governed by applicable laws, resolutions, or regulations of the House and of the Committee on House Administration pertaining to such travel, and by the travel policy of the Committee as set forth in the Committee Travel Manual.

Rule XIV.—Establishment of Subcommittees; Size and Party Ratios; Conference Committees

(a) *Establishment.*—There shall be 6 standing subcommittees. These subcommittees, with the following sizes (including delegates) and majority/minority ratios are:

(1) Subcommittee on Aviation (46 Members: 25 Majority and 21 Minority)

(2) Subcommittee on Coast Guard and Maritime Transportation (11 Members: 6 Majority and 5 Minority)

(3) Subcommittee on Economic Development, Public Buildings, and Emergency Management (11 Members: 6 Majority and 5 Minority)

(4) Subcommittee on Highways and Transit (57 Members: 31 Majority and 26 Minority)

(5) Subcommittee on Railroads (24 Members: 13 Majority and 11 Minority)

(6) Subcommittee on Water Resources and Environment (36 Members: 20 Majority and 16 Minority)

(b) *Ex Officio Members.*—The Chairman and ranking minority member of the Committee shall serve as ex officio voting members on each subcommittee.

(c) *Ratios.*—On each subcommittee there shall be a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the full Committee. In calculating the ratio of majority party members to minority party members, there shall be included the ex officio members of the subcommittees.

(d) *Conferees.*—The Chairman of the Committee shall recommend to the Speaker as conferees the names of those members (1) of the majority party selected by the Chairman and (2) of the minority party selected by the ranking minority member of the Committee. Recommendations of conferees to the Speaker shall provide a ratio of majority party members to minority party members which shall be no less favorable to the majority party than the ratio for the Committee.

Rule XV.—Powers and Duties of Subcommittees

(a) *Authority to Sit.*—Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee

on all matters referred to it or under its jurisdiction. Subcommittee chairmen shall set dates for hearings and meetings of their respective subcommittees after consultation with the Chairman and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of full Committee and subcommittee meetings or hearings whenever possible.

(b) *Disclaimer.*—All Committee or subcommittee reports printed pursuant to legislative study or investigation and not approved by a majority vote of the Committee or subcommittee, as appropriate, shall contain the following disclaimer on the cover of such report:

"This report has not been officially adopted by the Committee on (or pertinent subcommittee thereof) and may not therefore necessarily reflect the views of its members."

(c) *Consideration by Committee.*—Each bill, resolution, or other matter favorably reported by a subcommittee shall automatically be placed upon the agenda of the Committee. Any such matter reported by a subcommittee shall not be considered by the Committee unless it has been delivered to the offices of all members of the Committee at least 48 hours before the meeting, unless the Chairman determines that the matter is of such urgency that it should be given early consideration. Where practicable, such matters shall be accompanied by a comparison with present law and a section-by-section analysis.

Rule XVI.—Referral of Legislation to Subcommittees

(a) *General Requirement.*—Except where the Chairman of the Committee determines, in consultation with the majority members of the Committee, that consideration is to be by the full Committee, each bill, resolution, investigation, or other matter which relates to a subject listed under the jurisdiction of any subcommittee established in Rule XIV referred to or initiated by the full Committee shall be referred by the Chairman to all subcommittees of appropriate jurisdiction within two weeks. All bills shall be referred to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee.

(b) *Recall from Subcommittee.*—A bill, resolution, or other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of a majority of the members of the Committee voting, a quorum being present, for the Committee's direct consideration or for reference to another subcommittee.

(c) *Multiple Referrals.*—In carrying out this rule with respect to any matter, the Chairman may refer the matter simultaneously to two or more subcommittees for concurrent consideration or for consideration in sequence (subject to appropriate time limitations in the case of any subcommittee after the first), or divide the matter into two or more parts (reflecting different subjects and jurisdictions) and refer each such part to a different subcommittee, or make such other provisions as he or she considers appropriate.

MENTAL HEALTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise today to encourage President Bush to move forward on his recent commitment to create a national mental health commission. In fact, I would recommend to the President that he move it immediately and ask the leadership of our institution to move the bill on suspension so the commission can begin its critical work.

As proposed, the commission part of a larger new freedom initiative would be charged with studying and making recommendations for mental illness treatment services and improving the coordination of Federal programs that serve individuals with mental illness.

I have long fought for the creation of such a National Commission on Mental Illness. When Russell Weston, Jr., a diagnosed paranoid schizophrenic, fatally shot two U.S. Capitol Police officers, Gibson and Chestnut, in July 1998 right outside this Chamber, a bipartisan group of Members called upon our leadership to create such a commission to investigate the serious national dimensions of mental illness, including the lack of access to proper treatment and the violence that can result. But our pleas for the establishment of an interjurisdictional mental health advisory committee fell on deaf ears.

It is tragic that despite the high number of major profile cases like Russell Weston, Jr., John Hinckley, Jr., Theodore Kazinski and, most recently, Robert Pickett, the man who fired his gun outside the White House just 2 weeks ago, that our mental health delivery system has largely been neglected.

Mr. Weston, for example, received Federal Social Security insurance benefits but was not expected to check in to assure that he was receiving his proper medication. Indeed, it is strangely disturbing that a technological society that is smart enough to land people on the moon cannot see what is staring us in the face right here on earth.

Today, the mentally ill face huge barriers to proper treatment. For many, the obstacles are simply too difficult to surmount. Many more fall victim to the gaping holes and lack of follow-up in our system. Since the deinstitutionalization of the mentally ill began decades ago, our Nation has spawned growing homelessness and neglect as well as violence. Now our local jails and Federal prisons become the primary domiciliaries for our Nation's mentally ill. It is sad. It is tragic. It is wrong.

It is now estimated that over a third of our Nation's homeless population are mentally ill, and a 1999 Department of Justice study that we commissioned here showed that even at the Federal prison level, nearly a fifth of those housed have a serious mental illness. And I know that in our local jails, it can be as high as two-thirds.

Dorothea Dix, the great social and political activist who worked on behalf of the mentally ill, precipitated major prison reform beginning in the 1840s, nearly two centuries ago, she would be horrified by our Nation's regression. It is wholly unacceptable that over 50 years later our prisons remain the primary home for our Nation's mentally ill.

The situation is urgent, and that is why I would forcefully urge our new President to act swiftly on his commitment to create this commission. He would have the support of this Member, and I know other Members in this Chamber who understand the dimensions of this problem.

The commission's establishment will be an important step toward what must be a greater role for the Federal Government in addressing this wide and growing crisis.

THANKING CONGRESS FOR HELPING THE DISTRICT OF COLUMBIA GET OUT OF THE HOLE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia (Ms. NORTON) is recognized for 5 minutes.

Ms. NORTON. Mr. Speaker, I come to the House to report periodically when significant events occur in the District of Columbia.

I know for new Members, the first impression might be well, that is not none of my business, Congresswoman. It really should not be, but it turns out to be because matters affecting the District of Columbia which, for every other district, would not be seen on this floor do come here.

Today's Washington Times has a headline of interest to the Members of the House, Control Board Prepares to Reinstate Local Fiscal Authority. This matter is of interest to the House, because the control board was formed pursuant to a statute passed by this House when the District of Columbia encountered fiscal problems in the mid-'90s. It encountered those problems, because it is the only city in the United States that had to bear State, city and municipal functions.

I am pleased that this House offered some relief when it took over the most costly State functions, the rest of it was hard work from the District of Columbia, and, of course, the good economy.

The Times reports that on tomorrow, the control board will certify that the District has had its last of four clean audits, meaning that the control board period is over, and the control board itself will go out of existence on September the 30th. It is in a phase-out mode.

The District has had nothing short of a spectacular turnaround. It had to dig itself out of the worst kind of fiscal crisis. Any city in the United States that had to pay for State functions would have been in that kind of crisis long ago. Philadelphia had a control board. New York had a control board. Cleveland had a control board long before the District did, and they have a State to back them up.

The District is an orphan city all by itself carrying those functions with the kind of diminishing tax base that every

large city in the United States has. What the control board now finds is that the District has had 4 years of balanced budget with a surplus and a large reserve, and this has occurred 2 years ahead of time. At the same time, the District is in the throes of a complete overhaul of its city government, including every form of service delivery. We have surpassed the wildest expectations of this body.

The same page of the Washington Times reports, Hill Chairman To Keep Riders Off of City Budget. This will be very good news to most Members of the House who have had to consider the D.C. appropriation year after year.

I appreciate that the gentleman from Michigan (Mr. KNOLLENBERG) does not want the smallest budget in the House to take virtually the most time. This year I had to get unanimous consent.

I really thank the gentleman from Illinois (Mr. HASTERT) who helped me get unanimous consent to get the District's budget out 6 weeks late, even after it was balanced and had a surplus, but the fact is that it caused a tremendous hardship to have our budget out 6 weeks ago ahead of time. This should not have come here in the first place. This is the District's money raised by the District's taxpayers. This is a terrible anomaly that that the budget comes here.

The hard work that both sides of the aisle put in still makes the Congress look bad because it takes so long to get the matter out. The District of Columbia has shown that it is prepared to uphold its end of the bargain with balanced budgets, with surpluses.

We recognize that the work is not done. This is a city that has had to put itself together again like Humpty Dumpty. I appreciate very much what the Mayor of this city and the revitalized city council has done to make this happen. Nevertheless, this is a city without a State.

I will have not some revenue, but bills on the floor for Members, but rather some notions that allow the District to build back its own tax base. Among the payment solutions I will put forward will be a tax credit that will allow the District to pay for the services that commuters use. Eight out of 10 cars in the District of Columbia come from Maryland and Virginia and outside the District. They tear up our roads and leave a diminished tax base to pay for them.

They call our fire. They call our police. They use our water and do not leave anything here. A tax credit based on the services commuters use which cost commuters nothing is the way to approach this. My colleagues do not want the District to go back down the drain, even given all the streamlining and hard work it has done to pull itself out simply because, unlike your cities and counties, we have no State to back us out.

We are not out of the woods yet, but we are way out of the hole. I come to the floor this evening to thank the Congress for what they have done to help the District get out of the hole. I think that the Congress would want to thank Mayor Anthony Williams and would want to thank the counsel of the District of Columbia for pulling themselves up by their own bootstraps.

COURT RULING ON CLASS ACT LAWSUIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. SHOWS) is recognized for 5 minutes.

Mr. SHOWS. Mr. Speaker, in a major legal development this past Thursday, a U.S. Court of Appeals ruled in favor of a lawsuit filed by the class act group of the military retirees.

In the case of Schism versus the United States, the court found that there is, in fact, a broken promise between the United States Government and thousands of military retirees and their families.

This suit was filed on behalf of military retirees who were recruited into the service with a promise that lifetime health care would be provided to them if they served a career of at least 20 years.

The class act represents retirees who entered the service prior to June 7, 1956. That was the day Congress enacted the first military retiree health care plan, which today we know it as Champus or TRICARE.

Enactment of those health care plans actually stripped away health care that had been promised to these recruits and which had been routinely delivered.

After June 7, 1956, statutes no longer obligated the government to provide health care to military retirees, but health care that is now provided at military bases on a space-available basis is out of reach for many retirees, due to base closures and downsizing, and that is assuming that space is available which is not always the case.

Here are a few choice quotes from the appeals court decision. The retirees entered active duty in the Armed Forces and completed at least 20 years of service on the good faith that the government would fulfill its promises.

The terms of the contract were set when the retirees entered the service and fulfilled their obligation. The government cannot unilaterally amend the contract terms now.

The government breached its implied-in-fact contract with the retirees when it failed to provide them with health care benefits at no cost.

Congress was without power to reduce expenditures by abrogating contractual obligations of the United States. To abrogate contracts, in the attempt to lessen government expenditure, would not be the practice of economy, but an act of repudiation.

The case has been remanded to a lower court to determine damages. Such damages could result in billions and billions of Federal dollars being awarded to millions of military retirees and their families, particularly if damages are rewarded to retirees who fall beyond the scope of the class act group.

What does this mean to us in Congress? The court decision validates what I had been saying since 1999 when I introduced the Keep Our Promise to America's Military Retirees Act.

The appeals court decision gives us the opportunity to act now and restore health equity to military retirees who now have the courts on their side, and we can do it without busting our budget.

We must pass H.R. 179, the Keep Our Promise Act.

It acknowledges the broken promise of lifetime health care by providing military retirees within the class act group with fully-paid Federal Employees Health Benefit Plan eligibility, and allows all other military retirees to participate in the FEHBP, just like any other Federal employee.

Mr. Speaker, but if they are happy with TRICARE, the military health plan, they can stay with it, Congress passed that part of the Keep Our Promise Act last year.

If we pass this bill, the U.S. government will have responded to the court, and we will have acknowledged and made good on the broken promise to our America's military retirees.

We must do the right thing and quickly enact H.R. 179 into law.

IN SUPPORT OF BIPARTISAN PATIENT PROTECTION ACT OF 2001

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from Texas (Mr. GREEN) is recognized for 5 minutes.

Mr. GREEN of Texas. Mr. Speaker, I rise today as an original cosponsor of the Bipartisan Patient Protection Act, which was introduced last week by the gentleman from Michigan (Mr. DINGELL), the gentleman from Iowa (Mr. GANSKE), Senator JOHN MCCAIN, and Senator TED KENNEDY. I am proud to be part of the bipartisan coalition that hopefully will finally enact a strong Patients' Bill of Rights.

Mr. Speaker, Americans have been clamoring for a Managed Care Reform for a number of years. They want Congress to enact legislation that puts medical decision-making back in the hands of doctors and patients. They want legislation that provides meaningful accountability. In short, they want the Dingell-Ganske Bipartisan Patient Protection Act of 2001.

This legislation provides patient protections that are very similar to those that have been the law in my home State of Texas since 1997.

A recent article in Texas in the magazine ''Texas Medicine'' outlines the success of the independent appeals process as part of the HMO reform. As the article references, a provision of the law has been particularly effective in providing patients with real protections.

When the Texas legislature passed Managed Care Reform in 1997, it included an external appeals provision allowing patients to appeal the decisions of their health care plans. These appeals are not brought through expensive and time-consuming legislation but through quick reviews by State-certified independent review organizations called IROs.

IROs are made up of experienced physicians who have the capability and authority to resolve disputes for cases involving medical judgment. Their decisions are binding on both the patients and the plans.

These provisions have been successful, not only because they protect patients, but also because they protect the insurers. Plans that comply with the IRO's decision cannot be held liable for punitive damages. So if a decision goes against the patient, that patient can still go to court. But we will talk about that later on the lack of litigation under the Texas laws since 1997.

This plan has worked real well. Since 1997, more than 1,000 patients and physicians have appealed the decisions of the HMOs. The independence of the process is demonstrated by the fairly even split in the decisions resulted. In 55 percent of the cases, the independent review organizations, the IRO, fully or partially reversed the decision of the HMO. So in 55 percent of the cases, they were found for the patient or the physician than the original decision.

Now, during the debate on HMO reform in Texas, there was concern that managed care reform would be very costly and would lead to a flood of unnecessary and expensive litigation. But that has not been the case in Texas. To my knowledge, less than five cases have been filed since patients' protection became law in 1997.

I believe that the external appeals process has been instrumental in the success of the Texas plan and has given patients what they really want, access to timely quality medical care while protecting insurers from costly litigation.

The process works so well that, despite the U.S. Fifth Circuit Court of Appeals ruling that the external appeals were in violation of the ERISA, Aetna and other HMOs agreed to voluntary submit disputes to the IROs for resolution.

Finally, Mr. Speaker, I would like to point out that these protections have not lead to dramatic premium increases as some of our naysayers said. In fact, in Texas, the premium increases have been consistent with, and in some cases actually lower than premium increases in other States with substantially weaker patient protections.

Mr. Speaker, it is time for Congress to enact a Bipartisan Patient Protection Act. Our President is supporting it. Hopefully we will be able in the House and the Senate to put a plan together that will give patients the protections that they need. I urge my colleagues to join me in supporting it.

Mr. Speaker, I include the article from the magazine ''Texas Medicine'' that I referenced earlier as follows:

[From Texas Medicine, Jan. 2001]

SECOND-GUESSING THE INSURERS

INDEPENDENT REVIEW PROCESS APPEARS TO BE WORKING

(By Walt Borges)

Since late 1997, more than 1,000 Texas patients and physicians have challenged decisions of health maintenance organizations (HMOs), insurance companies, and third-party administrators (TPAs) to deny payments for treatments that the insurers deemed medically unnecessary or inappropriate. The challenges were not brought through expensive and time-consuming litigation, but through quick reviews conducted at no cost to patients and physicians by three state-certified entities known as independent review organizations (IROs).

A Texas Medicine analysis of Texas Department of Insurance (TDI) statistics covering the first 2½ years of the IRO system's operation found that the IROs reversed insurers' decisions in whole or in part in more than 57 percent of the 1,007 cases that were reviewed.

HMOs' decisions were reversed or modified in 55 percent of the 515 reviews, while decisions by insurance companies and TPAs were overruled in 60.5 percent of 481 reviews. Eleven other reviews were for health care entities that did not have an identifiable status in the TDI databases.

Even though the TDI databases can be analyzed to show how individual insurers fared in independent review, the findings offer limited insights into the quality of care and decision-making because of large variations in the number of reviews of each health care entity. Attempts to index the reversals to claims or covered lives failed because of variations in enrollment over the three-year period and because TDI does not track the number of policyholders for health insurance companies.

''There are a huge number of patients and a huge number of claims, so reversal rates are tiny,'' said Paul B. Handel, MD, of Houston, chair of Texas Medical Association's Council on Socioeconomics. ''But only 8 to 10 percent of the cases involve areas [of treatment] where the patients need the [extensive] technology and medication. We should be looking at how that population fares.''

IROs were a key feature of a law passed by the Texas Legislature in 1997 that gave Texas health plan members the right to sue their HMOs for denying medically necessary treatments. But unlike that controversial provision, which acted as a lightning rod for insurance industry opposition and prompted lawsuits claiming it conflicted with federal law, establishment of independent reviews drew the public support of consumer advocates, insurers, and doctors alike.

In June, a three-judge panel of the U.S. 5th Circuit Court of Appeals in New Orleans upheld provisions authorizing suits against managed care organizations. However, the court ruled that independent reviews of HMO decisions violated the Employee Retirement Income Security Act (ERISA), the federal law that reserves regulation of employer-funded benefit plans to Congress.

But the appeal of the IRO process is such that Aetna, whose subsidiaries filed the suit, and other major HMOs announced after the decision that they would continue to voluntarily submit disputes to the IROs for resolution. That came well before TDI told insurers and health plans that it would consider the system intact until the completion of court rehearings and appeals.

Despite popular support for IRO process, some physicians and IRO officials think many questionable decisions have been left unchallenged because of a lack of public knowledge that the system exists.

''The sense is that doctors and patients are not really aware of the IRO process,'' said Dr. Handel. ''This is something we've talked about at the council level.''

Gilbert Prudhomme, secretary director of Independent Review Inc., one of the Texas IROs, said he was ''absolutely astounded how few people know about it.'' Mr. Prudhomme says that as recently as last summer the insurance department at The University of Texas M.D. Anderson Cancer Center was unaware of the IRO process.

''A lot of people think ERISA preempts the system,'' said Mr. Prudhomme. ''They tell me they didn't know if it was still valid or they thought it had stopped working. There's a cloud over it by virtue of the ERISA controversy.''

IRO official Kathryn Block, administrator of Envoy Medical Systems, said, ''The hospitals don't understand what we are. They seem to think we're some kind of insurance company when we ask for records.''

REVERSAL RATES OF IROS

[December 1997 to August 2000]

IRO	Appeals	Upheld	Reversed	Partial	Percent reversed	Percent reversed (total and partial)
Texas Medical Foundation	652	308	301	43	46.17	52.76
Envoy Medical Systems	273	98	159	16	58.24	64.10
Independent Review Inc.	82	25	46	11	56.10	69.51
Total	1,007	431	506	70	50.25	57.20

HOW IT WORKS

Texas was the first state with external review of medical necessity decisions. Thirty-seven states now have a review process. Under Texas law, a patient may seek review by an IRO if a health insurer refuses to pay for treatment it considers to be medically unnecessary or inappropriate. Patients or their physicians also my request IRO reviews of denial of treatments that are recommended but not yet performed. Doctors cannot authorize the release of the medical records needed for the review, however. Only the patient or a guardian may sign the release form.

In most cases, the health plan's internal appeals process must be used before requesting an IRO appeal, Denial of treatment for

conditions that patients or doctors believe are life-threatening may lead to a bypass of the insuer's internal appeals process.

The IRO process is not always available. A complaint to TDI and/or an internal appeal to the health plan over the denial of payment is the only challenge permitted when treatment already has been provided and the insurer determines it was not necessary or appropriate, or when payment for a service not covered by the plan is denied. IRO appeals also are not available when Medicaid, Medicare, or a Medicare HMO provides a patient's health coverage.

Insurers pay $650 for each review if the review is provided by a physician and $460 if it comes from other health care professionals, e.g., dentists, optometrists, and podiatrists. The decision of the IRO is binding on the health plan or insurer.

Under TDI rules, ''the utilization review agent that forwards an independent review request to TDI pays the IRO that does the work,'' said TDI's Blake Brodersen, deputy commissioner for HMOs. ''We believe that the utilization review agents generally pass this cost through to the health plans themselves. The IROs are certified by TDI after we're satisfied they meet all certification requirements contained in our rules. They do not, however, contract with TDI.''

BUT DOES IT WORK?

There is general agreement among regulators, IRO officials, and health insurers that the system is working relatively well for those who seek reviews.

''It's working very well and as the legislature intended,'' said Insurance Commissioner José Monetmayor. ''The legislature wanted a system of truly independent review, one in which there were no foregone conclusions to favor health plans or to favor patients. The independence of the process is demonstrated by the roughly 50–50 split between decisions upholding and decisions reversing adverse determinations by health plans.''

Phil Dunne, chief executive officer for the Texas Medical Foundation (TMF), the first IRO certified by the state, said, ''From TMF's perspective, the process appears to be working in accordance with the statute and regulations. The various organizations involved in appeals have been compliant and cooperative.''

Mark Clanton, MD, chief medical officer of Blue Cross and Blue Shield of Texas, agrees. ''The process of independent review appears to be working as intended in that it provides an independent source of review for both consumers and health plans,'' he said. ''Other than the additional cost of paying for the appeals, the process is not burdensome; the additional review provides members with additional choice.''

Mr. Brodersen said TDI has received ''no complaints that the process is burdensome to doctors. We have received a few complaints from health care plans that we allow too short a time for them to get patient records to the IROs.''

He says he reviews completed between Nov. 1, 1997, and Oct. 31, 2000, could not have cost the health care plans more than $718,250, ''plus the cost of copying medical records. Obviously the plans incur other costs, such as those for personnel time and shipping records. But nobody has attempted to estimate these.''

Lisa McGiffert of Consumers Union wonders whether patients and physicians underutilize the system. Like Dr. Handel, she is troubled by what she perceives as a lack of public knowledge. She suggests that ''the state has the responsibility to get individuals to know about the process. It needs to be proactive in getting the information out.''

Insurers and third-party administrators (TPAs) with the greatest number of IRO reviews

[November 1997 to August 2000]

Insurer	Other names	Type	Reviews completed	HMO decisions reversed
Employers Health Insurance		Insurer	115	73
Blue Cross Blue Shield of Texas		Insurer	94	52
American Medical Security		TPA	23	11
The Prudential Insurance Company of America		Insurer	19	6
PM Group Life Insurance Company		Insurer	18	4
Texas Health Management Services		TPA	17	9
CORPHEALTH, Inc.		TPA	16	6
Aetna U.S. Health Care	Aetna, Aetna Life Insurance Company and Affiliates	Insurer	13	4
CIGNA Behavioral Health		TPA	10	9
Subtotal			325	174
Total for 64 other insurers and TPAs			156	74
Totals			481	248

Insurers that deny payment for what they believe are unnecessary or inappropriate treatments are required by TDI to notify the patient that the IRO process exists twice in the preauthorization process. But Ms. McGiffert notes that the IRO process may appear to be just another frustrating step to many patients who already have exhausted two levels of insurers' internal appeals.

Patients can be discouraged by multiple denials, she says. ''They've been denied, they've appealed, and they've been denied again. Why would they think the next one would be any different?''

MEASURING QUALITY OF CARE

The results of the independent reviews were compiled from TDI databases. More than 230 records had obvious problems: For example, HMO names were accompanied by insurance company designations. Because the underlying records of the reviews are not available to the public, TDI, at Texas Medicine's request, corrected the questionable records by looking at the records of each review.

Texas Medicine split the 1,007 IRO decisions into two groups for analysis. The first included the HMOs, while the second included insurance companies and TPAs.

Overall, denials by insurance companies and TPAs were overturned 52 percent of the time, while IROs ruled the HMOs made the wrong decision 49 percent of the time. (See accompanying tables, pages 32–35.)

However, 43 of 481 decisions involving insurers and TPAs were partially reversed and partially upheld by the IROs. Adding those figures into the mix yielded a full-and-partial reversal rate of 55 percent. Similarly, 30 of 515 of the HMO reviews resulted in full-and-partial reversals, for a mixed reversal rate of 60.5 percent.

The overall reversal rates and those listed for individual companies say little about the overall quality of medical care or of individual decisions to deny treatments, IROs and insurers agree.

''The relatively small number of external appeals, when compared with the millions of members and claims that go through the system, reaffirms that there is no large-scale problem with how plans apply their medical policy or how the internal mechanism for reviewing member appeals works,'' said Dr. Clanton. ''The principal conclusion is that the quality of care remains very high in HMOs. Only 515 appeals were filed, compared with millions of claims that were paid according to member contracts. Further, only half of the number appealed were reversed.''

The numbers ''would probably not provide statistically significant conclusions,'' Mr. Dunne said.

''It is important to note that IRO review is not a quality-of-care review,'' Mr. Dunne wrote in a response to Texas Medicine's questions. ''The IRO is asked to determine if the care is medically necessary, medically appropriate for the setting of care, and/or timely (e.g., determining if other, less invasive clinical interventions should be exhausted prior to implementing the treatment plan that is being appealed).''

Upheld	Split	Pending	Percent reversed	Decisions fully or partially reversed
37	5	3	63.48	67.83
34	8	1	55.32	63.83
9	3	1	47.83	60.87
11	2	0	31.58	42.11
9	5	0	22.22	50.00
6	2	0	52.94	64.71
7	3	3	37.50	56.25
6	1	1	30.77	38.46
1	0	0	90.00	90.00
120	29	9	53.54	62.46
68	14	2	47.44	56.41
188	43	11	51.56	60.50

GOOD COMPANIES AND BAD COMPANIES?

Texas Medicine's review of the IRO appeals outcomes did not analyze how each of the Texas IROs handled the reviews of individual insurers, TPAs, and HMOs. But Ms. McGiffert suggested that annual trends sometimes show wide disparities in reversals from the 50–50 rate the insurers and regulators are prone to cite.

TDI also puts some faith in the outcomes of reviews. ''We monitor reversal rates along with the complaint statistics of individual companies,'' said Mr. Brodersen. ''On occasion, a high reversal rate has been one of the factors that led us to perform quality-of-care examinations on particular companies.''

But he also noted, ''When you consider the huge number of medical necessity decisions that HMOs make each day, approximately 600 reversals over a three-year period suggests that, overall, the quality of care provided by HMOs is very good.''

Officials with Envoy, which receives one of every three referrals from TDI, say that a short-term analysis gives a different picture than a long-term statistical analysis.

Daniel Chin, managing director of Envoy, and his administrator, Ms. Block, say they were initially asked to review large numbers of physical medicine cases during the year-plus period they have conducted reviews.

''Then all of a sudden, it was all psychological treatment cases,'' said Mr. Chin. ''Now it seems we're getting physical medicine cases again.''

IRO CONSISTENCY

One analysis conducted by Texas Medicine was of the reversal rates of the IROs. (See ''Reversal Rates of IROs,'' page 31.) TMF had a reversal rate of 53 percent when both full and partial reversals were taken into account. Envoy reversed 64 percent of the decisions, and Independent Review Inc. reversed partially or fully 70 percent of the insurers' decisions.

Does this suggest that the IRO process is inconsistent? Not more than is expected when physicians exercise their

RESULTS OF IRO REVIEWS OF HMO DECISIONS

[November 1997 to August 2000]

HMO	Other names in TDI database	Current affiliation	Current covered lives	Reviews completed	HMO decisions reversed	Upheld	Split	Pending	Percent reversed	Percent with some reversal
Magellan Behavioral Health			625,463	3	2	0	1	1	66.67	100.00
Aetna U.S. Healthcare Inc	Aetna Health Plan.		443,381	37	17	16	4	2	45.95	56.76
Aetna U.S. Healthcare of North Texas Inc			415,417	18	11	6	1	0	61.11	66.67
Texas Gulf Coast HMO Inc	NYLCare Healthcare Plans of the Gulf Coast; NYLCare Healthcare Plans	Owned by Blue Cross and Blue Shield of Texas	407,328	71	30	38	3	3	42.25	46.48
Prudential Healthcare Plan Inc	Prudential Healthcare.		344,334	72	36	35	1	3	50.00	51.39
United Healthcare of Texas Inc	United HealthCare; United Behavioral Health		315,417	33	20	11	2	1	60.61	66.67
Humana Health Plan of Texas Inc	Humana; Humana Health Plan; Humana/PCA Health Plans of Texas; Humana Health Plans.	Humana merged with Employers Health in 1997	240,371	93	48	43	2	0	51.61	53.76
Harris Methodist Texas Health Plan	Harris Methodist Health Plan; Harris Health Plan; Harris Methodist Health Inc.; Harris Methodist Health.		197,058	7	5	2	0	1	71.43	71.43
PacifiCare of Texas	PacifiCare	Part of PacifiCare of Texas	186,103	45	20	22	3	0	44.44	51.11
Southwest Texas HMO Inc	NYLCare Health Plans of the Southwest	Owned by Blue Cross and Blue Shield of Texas	169,438	17	6	6	5	0	35.29	64.71
Rio Grande HMO	HMO Blue-El Paso; HMO Blue-West Texas; HMO Blue-Northeast Texas; HMO Blue-Southeast Texas; HMO Blue-Southwest Texas; HMO Blue/formerly NYLCare of the Gulf Coast.	Owned by Blue Cross and Blue Shield of Texas	148,702	4	1	2	1	0	25.00	50.00
Scott & White Health Plan	Scott and White.		121,275	9	6	3	0	0	66.67	66.67
CIGNA Healthcare of Texas Inc	CIGNA Behavioral Health; CIGNA Healthcare of Texas-North Division; CIGNA Healthcare of Texas-South Texas Division.		114,264	4	3	0	1		75.00	100.00
Texas Health Choice LC			104,171	2	2	0	0	0	100.00	100.00
Memorial Sisters of Charity HMO LLC		Now part of Humana	90,984	13	8	5	0	0	61.54	61.54
SHA LLC	FIRSTCARE Southwest Health Alliances.		49,097	4	1	3	0	0	25.00	25.00
One Health Plan of Texas, Inc			42,785	2	1	1	0	0	50.00	50.00
Methodist Care Inc			40,363	40	13	24	3	0	32.50	40.00
AmeriHealth of Texas			37,743	2	0	1	1	0	0.00	50.00
Community First Health Plans Inc			10,898	1	1	0	0	0	100.00	100.00
Amil International (Texas) Inc			8,108	1	0	0	1	0	0.00	100.00
Healthplan of Texas Inc	Heritage Health Plans		7,266	11	6	4	1	0	54.55	63.64
Amcare Health Plans of Texas Inc	Foundation Health, A Texas Health Plan		4,931	6	4	2	0	0	66.67	66.67
Healthfirst HMO Inc	HealthFirst HMO; Healthfirst	Merged with AmeriHealth of Texas	0	13	8	5	0		61.54	61.54
AmeriHealth HMO of North Texas	AmeriHealth HMO Texas; AmeriHealth HMO.		0	5	3	2	0	0	60.00	60.00
Anthem Health Plan of Texas	Anthem Group Services Corporation	Merged with AmeriHealth of North Texas	0	1	1	0	0		100.00	100.00
Healthcare Partners HMO		Merged with Healthfirst HMO	0	1	1	0	0	0	100.00	100.00
Principal Health Care of Texas, Inc		Merged with United HealthCare	4,124,897	515	254	231	30	11	49.32	55.15

independent judgment on clinical problems, say regulators and IRO officials.

''The IROs, by definition, are independent,'' said Mr. Bordersen. ''However, each must do its review in conformity with TDI requirements. We monitor processes, not results, and at the present time we are satisfied that each IRO is doing its work in accordance with our rules.''

Mr. Dunne points out that the larger number of reviews conducted by TMF could account for the discrepancy in reversal rates.

Ms. McGiffert says the discrepancy in reversal rates is not unexpected, as physicians will make judgments that differ. She says that TMF, which tends to have a more clinical approach than the other two IROs, sometimes suggests other alternatives for treating conditions that led to denied claims, which she thinks is helpful to patients. TMF officials say they may mention more conservative treatment options in the clinical rationale they provide in upholding insurer decisions, but they do not suggest treatment alternatives.

Dr. Handel say TMF's approach is appreciated. ''My sense is that the patient may be benefiting from their suggestions. A purely administrative type of appeal may not benefit the patient as much.''

Ms. Block noted that Envoy uses doctors who exercise clinical judgment in their reviews, but they do not propose treatment alternatives because that is not the function of the review process.

Mr. Prudhomme says physicians who conduct the reviews for Independent Review Inc. are encouraged to refrain from suggesting alternatives, unless it is obvious from the records that another course of action would benefit the patient.

CENSUS DATA MUST BE ACCURATE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to voice my concern regarding the story, which appeared in last Thursday's Wall Street Journal titled ''Bush's Next Recount Battle: Should Census Tallies Be Adjusted''. The story relays President Bush's assurances to House Republicans to put the ''fix on the Census'' by not including sampling figures in those numbers used to redraw Congressional District lines.

This nation has already gone through one trauma related to the lack of accuracy in counts and the struggle to include every

American's vote in last year's election. Now, we are faced with inaccuracy in one of the few, Constitutionally mandated, functions of Federal Government the enumeration of our nation's residents.

Unfortunately the House Republicans reported to the Wall Street Journal that this issue has been settled without any discussion with the Democratic minority. The vast majority of undercounted residents in our nation are found in densely populated urban areas or vast tracts of sparsely populated rural communities.

This issue is larger than the drawing of lines for Congressional Districts, it effects how much federal dollars will go to those communities where the undercounted can be found. We know that children in poverty are among the hardest hit by an inaccurate census. In the 1990 census at least 532,769 and as many as 2,099,620 poor children were missed. In the City of Houston, according to the Census Monitoring Board, of the 128,602 children living in poverty about 8,906 were not counted.

This meant that the City of Houston was cheated out of millions in federal dollars in vital services provided to our nation's poorest children, such as Medicaid, Head Start, Foster Care, Adoption Assistance, Social Service Block Grants, and even school lunch and child care assistance depend on accurate census data. This tragedy was repeated in every community throughout the United States and today, we only hear finger pointing and hand wringing about the state of education and government services around the nation. The first step to resolving the issues facing our nation is an accurate census. This is a great nation and we can handle the truth about our population, lets not cheat our children out of a healthy future.

If the issues facing poor children in our nation are to be adequately addressed, we must be sure that the data used to determine the amount of federal resources which should be allotted to communities is accurate, which requires the use of sound statistical sampling.

For this reason, we should include sampling in the final figures for the Census because it more accurately reflects the total number of people residing in a particular area. We know from past experience, no matter how much funding is provided and how much planning is done millions of Americans will go uncounted and if left to this Administration not provided for over the next 10 years. These people or our neighbors, friends, family, and co-workers who, for what ever reason, did not provide their statistical information for the census count. For this reason, the Census Bureau established ''The Accuracy and Coverage Evaluation,'' as a sampling method for the 2000 census. To accomplish the goal of a more accurate census, Census 2000 sent out its best enumerators to interview 314,000 households throughout the country in late summer. The results will provide the best opportunity for an accurate census. Traditionally, we know that African American, Hispanic, and Native Americans are under counted.

We cannot talk of improving education in America if we do not learn from our own lessons, the first of which if someone is not a part of the census in your community, then everyone in that community will suffer. Schools will not be overcrowded just for poor schools in a district. All schools in the district will suffer from a census undercount because the federal government will not send enough resources to make the difference for all children in that district. I know that many citizens wonder at the rising cost of local property taxes and the declining conditions of public schools, I want to make it very clear that here is where all of the problems begin and end. If we as your elected representatives refuse steal your hard earned tax dollars from the needs of your community then we can have an educational system that is the envy of the world.

I strongly support an accurate Census count of our nation's residents and I am against any effort by the Bush Administration or House Republicans to exclude scientifically valid sampling figures.

The count of our citizens does not just determine the configuration of Congressional Districts it is the determinant for the distribution of vital government resources such as education, health care, fire protection, and infrastructure.

Less fortunate residents of our nation cannot afford to not be counted. I ask that my Colleagues join me in demanding that sampling be part of the final Census figures for the year 2000.

URGING THE PRESIDENT TO COUNT THE NEEDIEST CITIZENS WHO WERE UNDERCOUNTED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, the census figures are now out. As we feared, it looks as though the undercount is going to be 3 million or more people. That is 3 million of the most needy; 3 million who are homeless, helpless, hopeless, in many instances people who live in disadvantaged communities; people who live in rural America, in inner-city areas, in ghettos and barrios; people who need the resources of government the most; people who are sick, do not have access to health care; children who need day care; seniors who need Meals on Wheels or just a place to go, place to sit, place to be; people who need nursing homes.

The most needy people in our country, Mr. Speaker, are those who are undercounted, those who need the resources of education, of health care.

So, Mr. Speaker, I come to urge President Bush to make use of adjusted figures; that is, to use statistical sampling as the basis for the allocation of resources based upon population needs in these various communities.

Now, I can understand the Supreme Court decision that said we are not going to use sampling for apportionment. So there is nothing political about what I am asking. There is nothing political about what I am urging. I am simply urging that the most needy people in this country be counted so that they can have the availability of public resources accrued to them based upon their existence, the fact that they are, and the fact that they are needy.

I urge the President to please take into consideration these points as he makes the decision about the use of adjusted numbers.

PUBLICATION OF THE RULES OF THE COMMITTEE ON ARMED SERVICES 107TH CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. STUMP) is recognized for 5 minutes.

Mr. STUMP. Mr. Speaker, I am submitting the rules of the Committee on Armed Services for the 107th Congress as required by clause 2(a)(2) of rule XI.

RULES OF THE COMMITTEE ON ARMED SERVICES

107TH CONGRESS

RULES GOVERNING PROCEDURE

RULE 1. APPLICATION OF HOUSE RULES

The Rules of the House of Representatives and the rules of the Committee on Armed Services (hereinafter referred to in these rules as the ''Committee'') and its subcommittees so far as applicable.

RULE 2. FULL COMMITTEE MEETING DATE

(a) The Committee shall meet every Wednesday at 10:00 a.m., and at such other times as may be fixed by the chairman of the Committee (hereinafter referred to in these rules as the ''Chairman''), or by written request of members of the Committee pursuant to clause 2(c) of rule XI of the Rules of the House of Representatives.

(b) A Wednesday meeting of the Committee may be dispensed with by the Chairman, but such action may be reversed by a written request of a majority of the members of the Committee.

RULE 3. SUBCOMMITTEE MEETING DATES

Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the Committee on all matters referred to it. Insofar as possible, meetings of the Committee and its subcommittees shall not conflict. A subcommittee chairman shall set meetings dates after consultation with the Chairman, the other subcommittee chairmen, and the ranking minority member of the subcommittee with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings wherever possible.

RULE 4. SUBCOMMITTEES

The Committee shall be organized to consist of five standing subcommittees with the following jurisdictions:

Subcommittee on Military Installations and Facilities: military construction; real estate acquisitions and disposals; military family housing and support; base closure and realignment; and related legislative oversight.

Subcommittee on Military Personnel: military forces and authorized strengths; integration of active and reserve components; military personnel policy, compensation and other benefits; and related legislative oversight.

Subcommittee on Military Procurement: the annual authorization for procurement of military weapon systems and components thereof, including full scale development and systems transition; military application of nuclear energy; and related legislative oversight.

Subcommittee on Military Readiness: the annual authorization for operation and maintenance; the readiness and preparedness requirements of the defense establishment; and related legislative oversight.

Subcommittee on Military and Development: the annual authorization for military research and development and related legislative oversight.

RULE 5. COMMITTEE PANELS

(a) The Chairman may designate a panel of the Committee consisting of members of the Committee to inquire into and take testimony on a matter that fall within the jurisdiction of more than one subcommittee and to report to the Committee.

(b) No panel so appointed shall continue in existence for more than six months. A panel so appointed may, upon the expiration of six months, be reappointed by the Chairman.

(c) No panel so appointed shall have legislative jurisdiction.

RULE 6. REFERENCE AND CONSIDERATION OF LEGISLATION

(a) The Chairman shall refer legislation and other matters to the appropriate subcommittee or to the full Committee.

(b) Legislation shall be taken up for hearing only when called by the Chairman of the Committee or subcommittee, as appropriate, or by a majority of those present and voting.

(c) The Chairman, with approval of a majority of a quorum of the Committee, shall have authority to discharge a subcommittee from consideration of any measure or matter referred thereto and have such measure or matter considered by the Committee.

(d) Reports and recommendations of a subcommittee may not be considered by the Committee until after the intervention of three calendar days from the time the report is approved by the subcommittee and available to the members of the Committee, except that this rule may be waived by a majority vote of a quorum of the Committee.

RULE 7. PUBLIC ANNOUNCEMENT OF HEARINGS AND MEETINGS

Pursuant to clause 2(g)(3) of rule XI of the Rules of the House of Representatives, the Chairman of the Committee or of any subcommitee or panel shall make public announcement of the date, place, and subject matter of any committee or subcommittee hearing at least one week before the commencement of the hearing. However, if the Chairman of the Committee or of any subcommittee or panel, with the concurrence of the ranking minority member of the Committee or of any subcommittee or panel, determines that there is good cause to begin the hearing sooner, or if the Committee, subcommittee or panel so determines by majority vote, a quorum being present for the transaction of business, such chairman shall make the announcement at the earliest possible date. Any announcement made under this rule shall be promptly published in the Daily Digest, promptly entered into the committee scheduling service of the House Information Resources, and promptly posted to the internet web page maintained by the Committee.

RULE 8. BROADCASTING OF COMMITTEE HEARINGS AND MEETINGS

Clause 4 of rule XI of the Rules of the House of Representatives shall apply to the Committee.

RULE 9. MEETINGS AND HEARINGS OPEN TO THE PUBLIC

(a) Each hearing and meeting for the transaction of business, including the markup of legislation, conducted by the Committee or a subcommittee shall be open to the public except when the Committee or subcommittee, in open session and with a majority being present, determines by record vote that all or part of the remainder of that hearing or meeting on that day shall be in executive session because of disclosure of testimony, evidence, or other matters to be considered would endanger the national security, would compromise sensitive law enforcement information, or would violate any law or rule of the House of Representatives. Notwithstanding the requirements of the preceding sentence, a majority of those present, there being in attendance no less than two members of the Committee or subcommittee, may vote to close a hearing or meeting for the sole purpose of discussing whether testimony or evidence to be received would endanger the national security, would compromise sensitive law enforcement information, or would violate any law or rule of the House of Representatives. If the decision is to proceed in executive session, the vote must be by record vote and in open session, a majority of the Committee or subcommittee being present.

(b) Whenever it is asserted by a member of the committee that the evidence or testimony at a hearing may tend to defame, degrade, or incriminate any person, or it is asserted by a witness that the evidence or testimony that the witness would give at a hearing may tend to defame, degrade, or incriminate the witness, notwithstanding the requirements of (a) and the provisions of clause4 2(g)(2) of rule XI of the Rules of the House of Representatives, such evidence or testimony shall be presented in executive session, if by a majority vote of those present, there being in attendance no less than two members of the Committee or subcommittee, the Committee or subcommittee determines that such evidence may tend to defame, degrade or incriminate any person. A majority of those present, there being in attendance no less than two members of the Committee or subcommittee, may also vote to close the hearing or meeting for the sole purpose of discussing whether evidence or testimony to be received would tend to defame, degrade or incriminate any person. The Committee or subcommittee shall proceed to receive such testimony in open session only if the Committee or subcommittee, a majority being present, determines that such evidence or testimony will not tend to defame, degrade or incriminate any person.

(c) Notwithstanding the foregoing, and with the approval of the Chairman, each member of the Committee may designate by letter to the Chairman, a member of that member's personal staff with Top Secret security clearance to attend hearings of the Committee, or that member's subcommittee(s) (excluding briefings or meetings held under the provisions of committee rule 9(a)), which have been closed under the provisions of rule 9(a) above for national security purposes for the taking of testimony. The attendance of such a staff member at such hearings is subject to the approval of the Committee or subcommittee as dictated by national security requirements at that time. The attainment of any required security clearances is the responsibility of individual members of the Committee.

(d) Pursuant to clause 2(g)(2) of rule XI of the Rules of the House of Representatives, no Member, Delegate, or Resident Commissioner may be excluded from nonparticipatory attendance at any hearing of the Committee or a subcommittee, unless the House of Representatives shall by majority vote authorize the Committee or subcommittee, for purposes of a particular series of hearings on a particular article of legislation or on a particular subject of investigation, to close its hearings to Members, Delegates, and the Resident Commissioner by the same procedures designated in this rule for closing hearings to the public. The Committee or the subcommittee may vote, by the same procedure, to meet in executive session for up to five additional consecutive days of hearings.

RULE 10. QUORUM

(a) For purposes of taking testimony and receiving evidence, two members shall constitute a quorum.

(b) One-third of the members of the Committee or subcommittee shall constitute a quorum for taking any action, with the following exceptions, in which case a majority of the Committee or subcommittee shall constitute a quorum: (1) Reporting a measure or recommendation; (2) Closing committee or subcommittee meetings and hearings to the public; (3) Authorizing the issuance of subpoenas; and (4) Authorizing the use of executive session material.

(c) No measure or recommendation shall be reported to the House of representatives unless a majority of the Committee is actually present.

RULE 11. THE FIVE-MINUTE RULE

(a) The time any one member may address the Committee or subcommittee on any measure or matter under consideration shall not exceed five minutes and then only when the member has been recognized by the Chairman or subcommittee chairman, as appropriate, except that this time limit may be exceeded by unanimous consent. Any member, upon request, shall be recognized for not to exceed five minutes to address the Committee or subcommittee on behalf of an amendment which the member has offered to any pending bill or resolution. The five minute limitation shall not apply to the Chairman and ranking minority member of the Committee or subcommittee.

(b) Members present at a hearing of the Committee or subcommittee when a hearing is originally convened shall be recognized by the Chairman or subcommittee chairman, as appropriate, in order of seniority. Those members arriving subsequently shall be recognized in order of their arrival. Notwithstanding the foregoing, the Chairman and the ranking minority member will take precedence upon their arrival. In recognizing members to question witnesses in this fashion, the Chairman shall take into consideration the ratio of the majority to minority members present and shall establish the order of recognition for questioning in such a manner as not to disadvantage the members of the majority.

(c) No person other than a Member, Delegate, or Resident Commissioner of Congress and committee staff may be seated in or behind the dais area during Committee, subcommittee, or panel hearings and meetings.

RULE 12. POWER TO SIT AND ACT; SUBPOENA POWER

(a) For the purpose of carrying out any of its functions and duties under rules X and XI of the Rules of the House of Representatives, the Committee and any subcommittee is authorized (subject to subparagraph (b)(1) of this paragraph):

(1) to sit and act at such times and places within the United States, whether the House is in session, has recessed, or has adjourned, and to hold hearings, and

(2) to require by subpoena, or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents, including, but not limited to, those in electronic form, as it considers necessary.

(b)(1) A subpoena may be authorized and issued by the Committee, or any subcommittee with the concurrence of the full Committee Chairman, under subparagraph (a)(2) in the conduct of any investigation, or series of investigations or activities, only when authorized by a majority of the members voting, a majority of the Committee or subcommittee being present. Authorized subpoenas shall be signed only by the chairman, or by any member designated by the Committee.

(2) Pursuant to clause 2(m) of rule XI of the Rules of the House of Representatives,

compliance with any subpoena issued by the Committee or any subcommittee under subparagraph (a)(2) may be enforced only as authorized or directed by the House.

RULE 13. WITNESS STATEMENTS

(a) Any prepared statement to be presented by a witness to the Committee or a subcommittee shall be submitted to the Committee or subcommittee at least 48 hours in advance of presentation and shall be distributed to all members of the Committee or subcommittee at lest 24 hours in advance of presentation. A copy of any such prepared statement shall also be submitted to the committee in electronic form. If a prepared statement contains national security information bearing a classification of secret or higher, the statement shall be made available in the Committee rooms to all members of the Committee or subcommittee at least 24 hours in advance of presentation; however, no such statement shall be removed from the Committee offices. The requirement of this rule may be waived by a majority vote of the Committee or subcommittee, a quorum being present.

(b) The Committee and each subcommittee shall require each witness who is to appear before it to file with the Committee in advance of his or her appearance a written statement of the proposed testimony and to limit the oral presentation at such appearance to a brief summary of his or her argument.

RULE 14. ADMINISTERING OATHS TO WITNESSES

(a) The Chairman, or any member designate by the Chairman, may administer oaths to any witness.

(b) Witnesses, when sworn, shall subscribe to the following oath: ''Do you solemnly swear (or affirm) that the testimony you will give before this Committee (or subcommittee) in the matters now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?''

RULE 15. QUESTIONING OF WITNESSES

(a) When a witness is before the Committee or a subcommittee, members of the Committee or subcommittee may put questions to the witness only when recognized by the Chairman or subcommittee chairman, as appropriate, for that purpose.

(b) Members of the Committee or subcommittee who so desire shall have not to exceed five minutes to interrogate each witness until such time as each member has had an opportunity to interrogate such witness; thereafter, additional rounds for questioning witnesses by members are discretionary with the Chairman or subcommittee chairman, as appropriate.

(c) Questions put to witnesses before the Committee or subcommittee shall be pertinent to the measure or matter that may be before the Committee or subcommittee for consideration.

RULE 16. PUBLICATION OF COMMITTEE HEARINGS AND MARKUPS

The transcripts of those hearings and mark-ups conducted by the Committee or a subcommittee that are decided by the Chairman to be officially published will be published in verbatim form, with the material requested for the record inserted at that place requested, or at the end of the record, as appropriate. Any requests to correct any errors, other than those in transcription, or disputed errors in transcription, will be appended to the record, and the appropriate place where the change is requested will be footnoted.

RULE 17. VOTING AND ROLLCALLS

(a) Voting on a measure or matter may be by record vote, division vote, voice vote, or unanimous consent.

(b) A record vote shall be ordered upon the request of one-fifth of those members present.

(c) No vote by any member of the Committee or a subcommittee with respect to any measure or matter shall be cast by proxy.

(d) In the event of a vote or votes, when a member is in attendance at any other committee, subcommittee, or conference committee meeting during that time, the necessary absence of that member shall be so noted in the record vote record, upon timely notification to the Chairman by that member.

RULE 18. COMMITTEE REPORTS

(a) If, at the time of approval of any measure or matter by the Committee, any member of the Committee gives timely notice of intention to file supplemental, minority, additional or dissenting views, that member shall be entitled to not less than two calendar days (excluding Saturdays, Sundays, and legal holidays except when the House is in session on such days) in which to file such views, in writing and signed by that member, with the staff director of the Committee. All such views so filed by one or more members of the Committee shall be included within, and shall be a part of, the report filed by the Committee with respect to that measure or matter.

(b) With respect to each record vote on a motion to report any measure or matter, and on any amendment offered to the measure or matter, the total number of votes cast for and against, the names of those voting for and against, and a brief description of the question, shall be included in the committee report on the measure or matter.

RULE 19. POINTS OF ORDER

No point of order shall lie with respect to any measure reported by the Committee or any subcommittee on the ground that hearings on such measure were not conducted in accordance with the provisions of the rules of the Committee; except that a point of order on that ground may be made by any member of the Committee or subcommittee which reported the measure if, in the Committee or subcommittee, such point of order was (a) timely made and (b) improperly overruled or not properly considered.

RULE 20. PUBLIC INSPECTION OF COMMITTEE ROLLCALLS

The result of each record vote in any meeting of the Committee shall be made available by the Committee for inspection by the public at reasonable times in the offices of the Committee. Information so available for public inspection shall include a description of the amendment, motion, order, or other proposition and the name of each member voting for and each member voting against such amendment, motion, order, or proposition and the names of those members present but not voting.

RULE 21. PROTECTION OF NATIONAL SECURITY INFORMATION

(a) Except as provided in clause 2(g) of Rule XI of the Rules of the House of Representatives, all national security information bearing a classification of secret or higher which has been received by the Committee or a subcommittee shall be deemed to have been received in executive session and shall be given appropriate safekeeping.

(b) The Chairman of the Committee shall, with the approval of a majority of the Committee, establish such procedures as in his judgment may be necessary to prevent the unauthorized disclosure of any national security information received classified as secret or higher. Such procedures shall, however, ensure access to this information by any member of the Committee or any other Member, Delegate, or Resident Commissioner of the House of Representatives who has requested the opportunity to review such material.

RULE 22. COMMITTEE STAFFING

The staffing of the Committee, the standing subcommittees, and any panel designated by the Chairman shall be subject to the rules of the House of Representatives.

RULE 23. COMMITTEE RECORDS

The records of the Committee at the National Archives and Records Administration shall be made available for public use in accordance with rule VII of the Rules of the House of Representatives. The Chairman shall notify the ranking minority member of any decision, pursuant to clause 3(b)(3) or clause 4(b) of rule VII, to withhold a record otherwise available, and the matter shall be presented to the Committee for a determination on the written request of any member of the Committee.

RULE 24. HEARING PROCEDURES

Clause 2(k) of rule XI of the Rules of the House of Representatives shall apply to the Committee.

NIGHTSIDE CHAT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes as the designee of the majority leader.

Mr. MCINNIS. Mr. Speaker, I thought I would spend a little time this evening in another nightside chat. There are three areas I would like to address my colleagues about.

First of all, we have heard a lot of news in the last couple of weeks about the pardon that former President Clinton granted to an individual named Marc Rich, and I thought tonight I would take time to clarify that with my colleagues because it appears that this pardon will go down as the most egregious, most offending pardon in the history of this country. Never in our study of American history have we seen a pardon that so flagrantly violated the principles of our Constitution and against which the citizens of this country expected a President to follow before he issued a pardon.

When I go through this, I think you will be appalled, be stunned by the amount of money that traded hands, by where that money went, for example to the Clinton library, about the coordination and the coincidence of that money going to the Clinton library and the money going to close Clinton friends, and all of a sudden what would be a usual pattern of oversight on a pardon by the Department of Justice and other agencies was avoided, and then one of the world's most sought-after fugitives all of a sudden, after bilking the American taxpayers, after trading with the enemy during a war, and then bilking the American taxpayers of hundreds of million of dollars when you consider the penalties, now can walk free on American soil. He will have more freedom as a result of this pardon from Clinton, more freedom than one of our constituents who walks

into a Wal-Mart and steals a 50-cent candy bar.

As every day goes by, we find out that there is more and more underneath the surface of the Marc Rich pardon.

The second thing that I think is important to discuss this evening is the energy crisis in California. The State of California is very important to the economy of this Nation, but the State of California is going to have to stand up on its own two feet to help itself when it comes to this energy crisis. California is going to have to abandon the long-adopted concept in California ''not in my backyard, let somebody else build it and let me have the benefits.''

I think we will have an interesting discussion this evening about the energy crisis in the State of California.

Finally, we will take a look at the economy. I had the opportunity and the privilege today to listen to the Secretary of the Treasury. Over on the Senate side, Alan Greenspan spoke. Look, we have a lot of concerns about our economy; and every citizen in this country, every constituent of ours needs to worry about the future of this economy. A very critical part of that economy is, number one, the Federal interest rate and how the Feds deal with it; number two, how the President deals with it; and number three, how the Congress deals with it.

Alan Greenspan lowered the rate by 1 percent last month. The President has stepped forward and said here is a tax cut proposal, and this evening I want to go into some of the details about that tax cut proposal because I think that is one arm of our strategy to keep this economy from collapsing on us. It is not near collapse right now, but it is headed toward a significant slow down. We have to be able to throw some water on this small fire before it becomes a bonfire. If it is left without attention, I assure you that fire will only grow.

I think that President Bush has extended a very well-thought-out plan that will work in a very efficient manner through the tax cut, which will first of all reduce the debt that this country has incurred over years and years of some, in great part, mismanagement, as my colleagues know.

But first of all let us go to the pardon of Marc Rich. Let me quote from the ''Wall Street Journal.'' ''This story,'' speaking about Marc Rich, ''This story will go down as an extraordinary feat in the annals of Washington lobbying, illustrating in a dramatic fashion how money begets access, access begets influence, and influence begets results.''

Marc Rich and his partner, Mr. Green, were fugitives from American justice. Marc Rich was, I think, the sixth most sought-after fugitive in the world. Marc Rich bilked the American taxpayer, when you consider the penalties and interest, of hundreds of millions of dollars. It was Marc Rich when our American citizens were being held hostage in Iran, when we were trying to put a blockade around the country of Iran, when we were trying to go right to the heart of the economy of Iran to force them to release our hostages, i.e. stop the sale of oil with Iran, Marc Rich was trading with the enemy. A U.S. citizen who subsequently renounced his U.S. citizenship, Marc Rich was trading with Iran while Iran was holding American hostages; and this is the man that Clinton has given a pardon to.

We are going to track about how that occurred. I think of some merit, I would like to read an article called ''The Clinton Indulgences'' from today's ''Washington Post,'' Tuesday, February 13.

''The more that is learned about some of the pardons former President Clinton granted on his final day of office, particularly the pardon of financier Marc Rich, the more it appears that they constituted a major abuse of power. We learned, for example, that the Rich pardon, if not facilitated, at least preceded by gifts of nearly a half a million dollars from Mr. Rich's former wife to the Clinton Presidential Foundation and Library Fund. Ms. Rich was also a major campaign contributor, not just to the President but to the President's wife in her Senatorial campaign.

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The Rich pardon has been thoroughly denounced by almost everyone, except of course the lawyers who were paid by Mr. Rich to lobby for it. Leaving the article for a minute, that would be Mr. Quinn. Right down here, Mr. Quinn. So let me go through this again.

The Rich pardon has been thoroughly denounced by almost everyone except the lawyers who were paid by Mr. Rich to lobby for it and various others to whose organizations Mr. Rich made contributions over the years. The denunciation has been thoroughly bipartisan. Mr. Clinton's only public response has been to say that he spent a lot of time on that case, and he thinks there are very good reasons for it. Once the facts are out, the public will understand, he said.

What are those facts, if not that money talked and that Mr. Clinton may have benefited? He would do well to find a way to say and to explain the other questionable pardons on his list. This a classic Clinton case. The facts suggest that he first abused then wrapped himself protectively in a Presidential prerogative.

The public has a legitimate interest in determining the extent of the abuse. The question is how to conduct the necessary inquiry without, at the same time, weakening the prerogative if only by undercutting the public sense of its legitimacy. Mr. Clinton could solve the problem by being forthcoming, providing an explanation of the questionable pardon and a full list of contributors to his foundation; but he will not, or so far has not.

The issue is whether the public trust was violated. Enough valid questions should have been raised about some of those pardons to warrant a full accounting. Mr. Clinton should volunteer it and not force the country to extract from him.

So I ask my colleagues to follow with me a little this evening as we go through some of these points and they can make their own decision of how legitimate this looked; about what kind of prerogative was abused in the granting of the pardon for Marc Rich. And keep in mind, as I said earlier in my comments, that Marc Rich will walk a freer man in the United States than will one of our constituents who might steal a 50 cent candy bar from Kmart or Wal-Mart.

Let us take a look at the pardon. Denise Rich. Who is Denise Rich? Denise Rich is a very, very wealthy individual in this country. She also happens to be the ex-wife of Marc Rich and, apparently, is on very, very good terms with her ex-husband. In addition, Denise Rich has refused to testify in front of a congressional committee, invoking the fifth amendment against self-incrimination.

Denise Rich has given over $1 million in donations to the Democratic National Committee. I thought she gave $190,000 to the Clintons in gifts; but every day that goes by, this figure becomes more and more inaccurate. We now know, for example, that to the Clinton library this amount of money: $450,000 was given to the Clinton library by Denise Rich. We also know that Denise Rich said other friends who were solicited say Clinton fund-raisers pressed Denise Rich for a much greater amount, as much as $25 million for the library fund.

A source familiar said that it is at this point $450,000, although a lawyer, Carol Elder Bruce, told committee staffers that Rich had contributed ''enormous'' amounts of money to the Arkansas foundation seeking to raise some $200 million to build the Clinton Presidential library.

In addition to that, of course, on the gift registry, before the President's wife became a Senator, there was $7,800 in furniture she bought for one of their homes, $7,000 for furniture for another home, and the public saxophone to the President.

Now, this goes back to that Wall Street statement, and let me read the Wall Street article again about this influence and money. Let me read the quote again. The story will go down as an extraordinary feat in the annals of Washington lobbying illustrating in a dramatic fashion how money begets access, access begets influence, and influence begets results. That is exactly what happens.

Do my colleagues think, as Bill Clinton now says when he made the statement, that politics did not play a part in this? Oh, yes; right. I am sure that that is a very solid statement, considering the fact that a request was made

to Denise Rich to donate $25 million to the Clinton library; that in fact she gave $450,000; that in fact she wrote a personal letter to the President asking the President to pardon Mr. Rich; that in fact Mr. Rich is one of the most sought-after fugitives in the history of this country and, until recently, until he got the pardon, but prior to President Clinton's acting, he was one of the most sought-after fugitives in the world.

How interesting that this is one of those pardons, one of those suspicious pardons that goes around. Supposedly it is supposed to go to the Justice Department, to the Securities Exchange, and to the other parties involved for an assessment of whether or not that pardon should be granted. For example, Milken. Milken, by the way, refused a request to make a donation to the Clinton Presidential library; and as a result, well we do not know as a result, but he refused to do that and the consequences may have been that he did not get a pardon.

We know for some odd reason in the last few hours that this pardon for Marc Rich did not go through the customary channels; that it was handled in a highly unusual fashion. In fact, we have e-mails from one lawyer to another that says keep it secret; it would not be to our benefit to find out what we are asking from the President.

We also know that the lawyer representing Marc Rich is a close friend and confidant of then-President Clinton. We also know that the attorney received hundreds of thousands of dollars, hundreds of thousands of dollars from Marc Rich to help Marc Rich get this pardon. We also know this attorney represented the President on other matters of the President.

So let us start to put the combination together and see what we have. We have Denise Rich, who is lobbying very hard for the pardon for Marc Rich. She gives well over $1 million. We may find out more than that, much more than that, to the Democratic National Committee. She donates $450,000 that we know of so far, and we suspect there is a lot more. She was asked for $25 million. She helps furnish two Clinton homes, and she provides other gifts for the Clintons.

Then we combine that with one of the Clintons' close confidants, who previously represented Bill Clinton, who has been paid hundreds and hundreds of thousands of dollars to represent Marc Rich. On top of that, we combine some of the organizations overseas that Marc Rich contributed to, charities and so on, who then sent letters, lobbying letters, to the President to grant this pardon for this fugitive, who as I have reminded my colleagues of before and I remind them again because it really leaves a bitter taste on my tongue, traded with the enemy.

What does that all spell? Well, that all goes over to the Clintons. And look what happens. Here they go. In 65 counts they granted a pardon. Where is the fairness?

It was interesting to hear the Democrats talk about this pardon. Every Democrat in these House Chambers that I have heard speak about it, every Democrat I have heard on national talk shows speak about it deplores what has occurred here. I am not saying every Democrat does, because I have not heard from all of my Democrat colleagues; but the ones I have heard from and the talk shows I have seen, they all deplore this. There is no way that this can be justified.

What kind of message does this send out there; what kind of reputation? Why would the President do this and leave with this kind of reputation? I can tell my colleagues this, and I speak from the earnestness of my heart, the granting of this pardon, in my opinion, was a disgrace. There is no pardon like it to the best of our knowledge in the study of American history. We cannot find another pardon like this, that so clearly shows connections of money, monetary contributions being made to a Presidential library; the connections with close confidants of the President; that the pardon request bypasses the normal channels for reviews.

And by the way, some of the best testimony I have heard on this came on this case from the former prosecutors, the U.S. attorneys who spoke the other day in front of the committee. One of the prosecuting attorneys, former U.S. Attorney, stated clearly that he voted twice for Bill Clinton as President. I wish my colleagues had heard that testimony. I felt that testimony was extraordinary. It was right on point.

He broke down in significant detail, detail that is far and above any kind of explanation I could give this evening from the House floor. He broke down in significant detail and rebutted every possible point made by this attorney, Mr. Quinn, who was paid hundreds of thousands of dollars.

This thing stinks. Now, that sounds like a strong word to use on the floor of the House of Representatives, but somebody needs to stand up on this floor, as I am doing right now and many of my colleagues have done in their own followings, and talk about just how wrong that is. This pardon should not have been granted.

Let us move on to the next issue. There are two other issues I want to address this evening. One of them, of course, is the energy crisis that we have in the State of California.

Now, a lot of us would like to say, California, if anybody had it coming, you had it coming. This is a State that has not allowed a power plant to be built in its State in the last 10 years. This is a State that today has 2 percent less capacity to produce power than they did 11 years ago. In other words, in 1990 they had 2 percent more capability to produce power than they do today in 2001. They had more capability to produce power in 1990 than they did in 2001. But what happened to the demand in power during that 10-year period of time? What happened with demand? Demand went up 11 percent. So demand goes up and capability to provide it goes down.

We need to talk a little about that. Clearly, California provides to the United States about one-sixth of our economy. It is huge. I need to correct that statement. California, if it were a country, would be the sixth most powerful country in the world from an economic point of view. We cannot allow California to just go down the drain. We cannot ignore our neighbor to the west and just say that their problem ought to just be their problem and we are going to walk away from it.

Unfortunately, the political leaders of the State of California have pulled every State in the Union into this mess. Unfortunately, many of our constituents out there, whether they live in the State of Colorado, New Mexico or wherever, they are going to get pulled into this as a ratepayer. In the State of Colorado, for example, Excel Energy, what used to be our public service company, has sold energy to the State of California, some of it under what I consider an illegitimate order by the previous administration forcing it to sell power to a customer, number one, under a Wartime Powers Act, which we are not engaged in that type of threat right now; but they were concerned, so they used the excuse that it may affect the bases in California. So they ordered our utility in Colorado, for example, to sell energy to the State of California with no assurance that the State of California could pay for that.

This means that prices will go up for the ratepayers in Colorado to cover this loss to the State of California, while the ratepayers in the State of California enjoy a freeze on their rates put in by their political leaders. And that is not all. Take a look at some of the other things. The city of Denver. Now, I just have to say that part of this is gross negligence on behalf of the city of Denver. They invested $32 million, and the citizens of the city of Denver ought to be aware of this. The city management team invested $32 million after, not before, after they had received warning that these power companies in California may not be able to pay and in fact in all probability could not pay them back.

□ 1945

So part of that is gross negligence on the part of the city of Denver. But this is to point out that this is not isolated to the ratepayers and the taxpayers in the State of California, this spreads across the Nation.

How do we get there? How did California get there? Well, it is Economics 101. We have in our system of economics a capitalist type of system. We have what we call the private marketplace. And it is really fairly simple. We have the private marketplace.

Now, on the private marketplace, we have a seller and a buyer. Now, I know that this sounds kind of fundamental.

But as my colleagues walk through this with me, they will understand where I am going with this.

Now, the buyer over here knows exactly what they are looking for. The seller is trying to meet this demand. The seller wants to sell to the buyer at a mutually-agreed price. That price is negotiated. Every one of us goes through those transactions. We started out selling a piece of bubble gum when we were young. That is what we call a bargain, an agreement, a consent, an acceptance.

So we have got the seller and the buyer. Now, the seller tries to determine what it is he or she can provide to the buyer and at what cost. The buyer, of course, knows what they want.

Well, then we have the next transaction, which is the closure of the agreement. Let us call it consumption. On the consumption part of it, the money that comes from the consumption, the buyer gets the service of the product and the seller gets some type of compensation, generally cash.

Now, what does the seller do with the cash? This is very important. One, what the seller has to do with the cash is it has to make a profit. If the seller cannot make a profit, the seller will not be in business and the buyer will not get what they need. It is to the buyer's interest to have the seller in business as much as it is to the seller's interest to have the buyer in business or in the marketplace.

So what happens is the seller has to have a profit. Now, what happens with the profit in the system balances out. The seller has a cost to the product. So they have got the product, in this case, electricity. They have got the cost. The seller did not get the product, the electricity, free of charge. The seller had to either buy the power or generate the power. So it has a cost involved.

So, in order to pay for the power, the seller has to recover from the buyer at least that amount of money to cover cost. That is called ''break even.'' But if the seller wants to be able to continue to sell this power in the future, especially if the buyer demands more and more from the seller, then the seller has got to reinvest in its ability to produce what the buyer desires. And that is one of the important aspects of profit.

The seller also has to have willing investors in the seller, which means that there has to be some type of enticement to bring people in the marketplace to invest in the capital structure of the seller.

Well, this all begins to work well. And, by the way, and I heard this in California, nobody deserves to make a profit on selling basic power to the American people, that there should not be a product out there where there are excess profits being made.

Well, what happens when excess profit comes into the marketplace? Do the bright political leaders have to go in and take over the marketplace? No. The marketplace self-corrects.

Let us look at an example. Let us say we have a hamburger stand in our community and that hamburger stand sells a hamburger for 50 cents and the cost of the product is 5 cents. So the hamburger stand makes 45 cents. And then pretty soon the hamburger stand finds out there are a lot more customers that want those hamburgers, so they raise the price to a dollar, then pretty soon they raise the price to $2. Then pretty soon they cannot buy a hamburger except at this place for $5 and the cost for making a hamburger, everybody knows, is five cents.

What is going to happen in the private marketplace? They are going to have competition. Somebody else is going to come in and say, wait a minute, Joe over there is selling his hamburgers for $5 apiece. He is taking advantage of the public. His profits are excessive. I can go in and sell a hamburger for $2 apiece and I still make a handsome product. I make enough money to reinvest into the capital that I have to make that hamburger, so I am going to go into competition. I am going to go into competition with Joe and I am going to force him to lower the price from $5 to $2; and if he does not, I am going to force him out of business. That is the private marketplace working. That is not what happened in California.

What has happened in California, in my opinion, is their State-elected leaders, including State legislators and including the Governor of California, do not have enough gumption to stand up to the consumers in California and say a couple of things.

Number one, look, we cannot have it both ways. We cannot say anymore ''not in my backyard,'' but I want power to my house when I want electricity.

It was interesting, I read a Wall Street Journal article the other day that talked about Cisco Systems, Cisco Corporation. Many of my colleagues are investors or have constituents who own shares of stock and know about how Cisco did not want to power a plant. Even though they are a large consumer of power, they did not want to power a plant and they objected to a power plant being built near their facility because it partially obstructed their view of the ocean.

Do they know what? Face reality. We need power and all of us take advantage of power. Tonight, here in Washington, D.C., the outside temperature is probably in the low 40s, maybe under 40 degrees. But the temperature in these Chambers is probably 70 degrees. We have plenty of lights. We all know that. We need our power.

But the citizens of California need to understand that the other States of this Union, while we are colleagues, we are neighbors, we are fellow States, we cannot carry their weight for them. They need to agree to build some power plants out there. They need to agree to some reasonable access for grids to transfer that power from place to place.

They need to agree that, in order to build power plants, they themselves, the ratepayers out there, are going to have to invest.

Years ago somebody should have had enough guts to stand up to the political establishment in California and say to them, look, you cannot go into a so-called deregulation, in other words, enter the private marketplace, but go out to the consumer, the buyer, and go out to that buyer and say, no matter what the cost to the seller, no matter what it costs the seller, they are always going to get the same price. Here is the price cap, $55 dollars per megawatt hour.

That is exactly what happened. California several years ago decided to ''deregulate'' their power production. And in order to deregulate, they decided to enter into the free marketplace; and in entering the free marketplace, they only made one mistake, and that mistake was they only partially entered the free marketplace. They did not want to upset their voters in the State of California. They did not want to be frank with their constituents and say, look, we are either in or out. If they are going to get into the marketplace, they have got to be willing to pay the marketplace so that the seller can reinvest to continue to generate, in this case, electricity.

No, California did not do that. California went to the citizens of California and said, hey, we have got something that defies the private marketplace. We have got something that never in the history of capitalism, never in the history of a free economy has it worked. But we in California have figured it out. We do not have to build any more power plants in our State, or we can make it so tough or miserable on them that nobody will want to build a power plant in California. We will go ahead and let the sellers in some of these power companies in California walk away or have some time to make a profit, we will let them sell the power producers, the generation facilities to out-of-state providers, and to the buyer we are going to give the sweetest deal of all. To our consumers of electricity in California, we are going to freeze the price. In fact, not only are we going to freeze the price just as an act of goodwill, we are going to reduce the price 10 percent.

That is exactly what the elected officials in California did. We will reduce the price 10 percent, buyer; and, guess what, use all of the power you want because in the future, the price that you are going to have to pay is frozen.

Well, what happened to it? Well, it led to a shipwreck. I will tell my colleagues what happened. The seller agreed, those power companies in California agreed because they made a lot of money on this transaction. The buyer agreed because it was a sweet deal. The consumers in California were persuaded by the politicians that, in effect, at some point they were going to get something for nothing, that they

could use all the power they wanted, they could waste power regardless of what they did, power would always be sold with a cap on it, they could not raise the power.

Then they made a mistake. They brought in a third party, power generation. They sold the generation facility to out-of-state producers and they expected these power generators to always come back to the State of California and say, California, because you are such a nice pal, we are going to go ahead and sell you electricity for just a little tiny bit more than what it cost us to produce it, not for what the marketplace would bring us, but for a little over what it could cost us to produce it.

Well, they did not want to play that game, these power generators. They were in the marketplace. In other words, what will the market bear? They charged what the market would bear.

California, in the meantime, goes on this binge of not allowing power plants in its State. I would love to have the opportunity to debate the Governor of the State of California. Mr. Governor, I plead upon you to stand up to the ratepayers in the State of California and say, look, we got a problem here. We have got to bring more power plants on-line. And I think, by the way, the Governor is edging that way. But more important than that, you have got to be frank with your ratepayers. You have got to be straightforward and say to them, look, if we are going to have investment, we have got to have profit.

Now, I think instead what the answer of many elected officials in the State of California is going to be, let the Government take over. Let us let the Government be the power supplier in California. Let us let the Government run this operation.

Take a look. Without exception, take a look at any point in history. What happens when we allow the Government to enter into the private marketplace and run business? Government cannot do it. Look at what we do with the Federal Government, my colleagues. Take a look at how efficiently the Social Security system is run. Take a look at how efficiently Medicare is run. I mean, we have huge inefficiencies.

Why? Why are the inefficiencies higher at the Government level than they are in the private marketplace? Because the Government does not have competition. In the private marketplace, efficiencies come as a result of the market because they have got competition.

Remember the hamburger guy I was talking about? That guy or gal decided to come in and he or she cannot sell those hamburgers for $5 for very long because they have got competition that will come in and sell it for $2.

I say to some of my colleagues from California, do not let your constituents buy off on the proposition that they are going to be able to get power at a capped price. Do not let them buy off on the proposition that they are not going to have to pay for an increase.

Let me talk about what I think is the solution for the State of California and a big part of it. Number one, in California and across this country, we have got to conserve. And conservation really is pretty easy.

My wife and I, for example, in our home in Colorado, we live high in the Rocky Mountains, in our home, except for the area that we are working in, the area we are working in we leave at 70 or 72 degrees. The rest of the house is at 55 degrees.

In California, they have got to begin to conserve. They cannot conserve when they cap the price that the user is going to pay.

Let me give my colleagues an example. Colleagues, if any one of you ever rented a place from a landlord and the landlord agreed to pay all of the utilities, and by the way, that does not happen very often except for the Government, what incentive would you have to shut off the air conditioning during the summer or reduce the heat during the winter if the landlord paid the bill regardless of the usage you had on the air-conditioning or the heat? There is no incentive to conserve.

California has got to take this price cap off.

□ 2000

California has got to say to the electrical users in its own State, and I know politically it is not popular to do, but it is going to take some courage and some guts to stand up to the consumers in California. And frankly I think a lot of consumers will agree with this, Look, we have got to put a price. The more you use or if you are going to waste it, there is going to be a price to pay. We cannot cap it at $55, especially when the marketplace out there is selling it at $1,000, and that is what happened at points during this energy crisis.

So conservation is issue number one. All of us can conserve energy. I feel an obligation to conserve it in Colorado. And for gosh sakes in California you need to be led by your State political leaders to conserve.

The second thing that you have got to do in California is you have got to build production facilities. You have to provide for generation. The days of looking to your neighbors to the east and saying, well, put the power plants in Oregon or put the hydropower plants over in Arizona or let Colorado put the power generation plants in their State. We do not want power generation plants because it has an impact on the environment.

It does have an impact on the environment. You have got to balance that out. Having lights in here this evening, having 70 degrees on the House floor, it has an impact on the environment. We are using energy to provide this. But, California, you are going to have to carry a fair share of that. Or if you want to depend on out-of-State suppliers, then you are going to be subject to the price variations of the market. And if the market knows that you do not have the capability to provide your own power, the market will be very punishing to you. The market has its own checks and balances. You cannot defy through political movement the marketplace or the punishment of the marketplace for ignoring the basic concepts of supply and demand. It will not work. You have tried it and it has been a disaster.

You have hit a brick wall in California. The elected officials in California need to stand up and understand the private marketplace, stand up and conserve and take that price cap off so that you have got some kind of incentive to build generation. And for gosh sakes, I urge the electrical users in California, do not buy into this dream that the government of the State of California can run an electrical system more efficiently than the private marketplace. Oh, temporarily it will be like that 10 percent discount you got when they first deregulated. They will make it sound as sweet as roses, sugar, and honey. But down the road, you will pay the price because the government cannot operate an electrical facility with efficiency.

Let me move on very briefly about the next subject that I think is critical and we are going to hear a lot about and that is the tax plan from President Bush. I think it is very, very critical that we put in place a tax cut.

I think our first priority, colleagues, has to be to reduce the debt. So the argument here on the Bush tax cut is not about reduction of the debt. I think most of my colleagues out here agree that we need to reduce the debt. The argument is the structure of how we go about it. Now, frankly some of the people opposed to this, i.e., the left wing of the Democratic Party, the more liberal element, and I say this with due respect, the liberal philosophy appears to be, keep the money in Washington.

I will tell you any time you keep money within reach of these Chambers, it is in high danger of being spent or dedicated to a new spending program. Do not kid yourself. Money sitting in Washington, D.C. is like setting a piece of pie in front of somebody that has not eaten for a long time. It is going to get eaten up very quickly. It is going to be committed.

If you want to reduce that debt, put that money back in the pockets of the people that made it. That is exactly what President Bush is focusing on. That theory is a theory that has been proved time and time and time again. Give the money not to the government to reinvest because, remember, the government does not create capital. The government transfers capital. Those men and women out there, working away, they are the ones that create capital. All the government does is reach into their pockets and transfer their hard-earned money to Washington, D.C.

Frankly as you know as a result of this surplus, you have had a lot more money than we need transferred out of a worker's pocket to Washington, D.C. You have got a lot of people that did not have to earn that money that have great ideas on how to spend your money. They want it kept in Washington. This new program, this new program, more for this program.

President Bush has it right. We have got an economy that faces a heck of a challenge. We have got an economy that threatens millions and millions of jobs. We have got an economy that just in the last month we have seen tens and tens of thousands of people lose their jobs.

We have got to come up with a recovery plan. The recovery plan is not to keep that surplus in Washington, D.C. for more spending. That recovery plan is to get that money quickly back out to the people who earned it. Get that money back out to the people who made it. That is how you create capital. And when you create capital, you create more taxable transactions. And when you create more taxable transactions, you reduce the Federal debt.

Today in the Committee on Ways and Means, I sat and listened to the Secretary of Treasury and heard a questioner imply that a tax cut was going to add to the national debt. A tax cut if appropriately put into place will reduce the national debt. Because you are putting money out and it creates capital out there in the free marketplace.

I also heard out there today about how this is a rich man's tax cut. Let us take a look at some hard facts here very briefly. This is who pays Federal income taxes. By the way, as you can tell, this is my homemade chart, colleagues, so forgive me for it but I think you can get the basics of it.

All taxpayers, of course, pay 100 percent. All taxpayers pay 100 percent of the taxes. The top 1 percent of the taxpayers in the country pay 34 percent of the taxes. The top 5 percent pay 53 percent of taxes. The top 10 percent of taxpayers in the country pay 65 percent of the taxes. Right down here, the top 50 percent, half of the taxpayers in this country, pay 95 percent of the taxes. The bottom 50 percent pay less than 4 percent of the taxes. I will go ahead and leave this up so you can take a look at it.

The bottom half pays less than 4 percent of the taxes. So if you are going to have an impact, if you are going to put dollars back out there, number one, the principle of a tax cut should go to people who pay taxes. Bush's plan is not a welfare plan. President Bush's plan is to go to the people who pay taxes, every taxpayer out there, regardless of their wealth and reduce marginal rates, get those dollars out here where they are going to work. Get those dollars out into that community. Get it out there where it is going to be reinvested under President Bush's income tax cut.

Under President Bush's income tax cut, there are several key issues. One in five tax-paying families with children will no longer pay any income tax at all. So out of every five families out there that are paying income taxes today, out of every five, they are paying taxes today, one of them after this program will no longer have to pay those taxes. By the way, all five of them will have their taxes reduced. A family of four who make $35,000 a year will pay no Federal income taxes under this plan. So if you have got constituents out there, colleagues, who have a family of four, mom and dad, boy and girl, and they are making $35,000 a year, under President Bush's plan they will no longer pay Federal income taxes.

What do you think happens to that money, colleagues? They do not go take the money that they are no longer transferring to Washington, D.C. and bury it in the ground. They go out and use that money. They either put it into savings or they go put it as a down payment or they go buy a washer or a dryer. That money begins to circulate in the environment that creates capital, that also creates taxable transactions, that also helps reduce the Federal debt.

Let me go on. A family of four making $50,000 a year, so if you have mom and dad and boy and girl, and they are making $50,000 a year, their taxes will be reduced by 50 percent. A 50 percent tax cut. A reduction of $1,600. And a family of four who makes $75,000 a year will receive a 25 percent tax cut.

On top of that, there are some other important issues that are being reduced and addressed by President Bush's tax plan. Let me start with one that hits me right in the heart and hits a lot of American families out there. And that is the elimination of the death tax.

Death should not be a taxable event in a country like the United States of America. Our forefathers never intended for a family to be taxed because of the tragedy of a death. What happened and where that tax was created was around the early 1900s as a tool to punish the Rockefellers and the Carnegies and so on and so forth, the Morgan Stanleys, those are the people they wanted to penalize, so it was put in purely as a penalty, as a punitive measure by the government, completely contrary to the philosophy of our government, that is, those who work hard should be able to save something for future generations.

What the Bush plan does is over an 8-year period of time, it eliminates that death tax. It actually goes out and says, wait a minute, the government is going the wrong way. What President Bush says the government should be doing is encouraging family business to go from one generation to the next generation.

President Bush says we should not have a government that discourages business and family farms and family ranches from going from one generation to the next generation. This should be a government that encourages it. This should be a government that goes out there and says death is not a taxable event. President Bush does not believe that death should be a taxable event. This deserves the support of everybody in here.

Now, I hear some people say, well, all it does is support the wealthy. I am so sick of hearing that. You know something, if you go out there and you work hard and you save a few bucks, all of a sudden, some of my colleagues in here call you rich and for some reason despite the fact you worked for it, despite the fact you did something that brought that to you, you do not deserve it or somebody else who did not work quite as hard, who did not come up with a better mousetrap should have it from you. This tax plan is what we need for a recovery in our economy.

I will tell you what else President Bush does in this tax plan. And finally, finally, we have got somebody that will talk about the death tax and say death is not a taxable event. And finally we have got a President who incorporates within his tax cut plan an elimination, or a significant downsizing of the marriage penalty. Do you think that our forefathers ever imagined that this government would go to the point in time where it would tax a family for a marriage? Do you think that they thought that this government would go so far as to say, ''We'll tax you when you marry, and we'll tax you when you die''? That is where the government is.

Finally, we have got a President who is standing up to this and saying, look, every taxpayer deserves a tax cut. Death is not a taxable event. Marriage is not a taxable event. We have also got a President who has proposed a tax cut that is not aimed at business. This is not aimed at big business. This is aimed at individual taxpayers, regardless, every taxpayer in America, every taxpayer in America will benefit from this tax cut because it cuts the marginal rates. President Bush in his tax cut, he does not go out and pick a special, heavily lobbied organization or group or business to get the tax cut at the expense of every other taxpayer. He does not do that. President Bush goes out there and puts together a plan that benefits every taxpayer. That is what is beautiful about this tax plan. This country needs a significant tax cut.

The danger of a tax cut is if you do not do enough, then it will not help reduce the national debt. It will not work. It will not help give a jump-start to that economy. By the way, the tax cut alone will not jump-start the economy. It takes a combination of strategies. One of the strategies is you have got to have the Fed lower the interest rate and that strategy has been put into place. And I believe that Greenspan will lower those rates again within the very near future. Strategy number one, arm number one.

Arm number two, strategy number two, put a tax cut into place that has

some significance. It has got to be large enough to have some kind of impact on the economy. That is what has to happen. You put those two strategies in there and you have got one other one you have got to think about, and that is our responsibility on this House floor.

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You have got to control Federal spending. You have got to control spending. If you control spending, you reduce taxes and you lower the interest rate; that is the kind of formula that makes a very, very potent medicine to fight this slowdown that we are now facing.

So I am asking all of my colleagues, look, put partisan politics aside. Stand with the President. President Bush needs our support. President Bush has been willing to take the lead on this. We ought to stand up in unison; and we ought to help the President, because if we do not, this economy could continue to spiral in a downward fashion. We have time to save the economy, we have time to correct this downturn, but if we do not work with the kind of strategy that I think is now being deployed, one, by Greenspan, two, by the President, and, three, by us to control Federal spending, then, frankly, we are going to get what we ask for.

So, in conclusion this evening, let me recap the three topics.

Number one, the Mark Rich pardon. If you look at your history books, it will go down in history as one of the most disgraceful pardons in the history of this country, the most disgraceful pardon in the history of this country. Take a look at it. Watch it with interest.

Number two, the energy crisis in California. California, you are going to have to build generation in your own backyard. You are going to have to conserve. You are going to have to lift your price cap. And, for gosh sakes, Californians, do not let the government run your electrical distribution facility and entire electrical enterprise. It may sound sweet today; but for a short-term benefit, you will have a very, very long-term cost.

Number three, I urge my colleagues and the citizens and their constituents, urge your constituents to take a careful look at what the President has proposed. It does eliminate the death tax, it does reduce the marriage penalty, it does put tax dollars back to every taxpayer in this country, individual taxpayers in this country; and that is exactly the kind of formula we need, if we can deliver our part, and that is to control Federal spending.

HEALTH CARE REFORM

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I did want to indicate that I only plan to use about 20 minutes of the hour this evening, and then I would like to turn over the rest of the hour and yield to the gentlewoman, one of my colleagues from Ohio, who will be out here later, who is going to be talking, I believe, about Black History Month.

Mr. Speaker, I wanted to take to the floor, to the well, this evening, to talk about health care, and essentially to map out why I believe very strongly in this session of Congress we have an opportunity, hopefully on a bipartisan basis, to enact some health care reforms that will ensure more access to health insurance to more Americans, many of whom, about 40 million, do not have any kind of health insurance right now; and, secondly, that we enact a true HMO reform, along the lines of the Patients' Bill of Rights, a bipartisan bill that passed the House of Representatives last session, unfortunately, it did not become law, in order to reform HMOs. Third, I think that we should enact a Medicare prescription drug benefit for all Medicare beneficiaries.

I believe very strongly, Mr. Speaker, that these measures can pass in this Congress on a bipartisan basis.

I have to say I was a little concerned, I did not plan to talk about tax cuts tonight, but when I heard my colleague on the other side of the aisle who was here in the well before me, I do become concerned that if the tax cuts that are being proposed by the President become too large, so that the entire surplus, or most of the surplus that we now have, is used up, we not only face the potential of having a deficit situation again, with all the bad ramifications for its economy, but it would make it impossible for the types of things that I am talking about tonight, a Medicare prescription drug benefit, increased access to health insurance for many who do not have it, these types of things would be impossible to pass.

So I would ask my colleagues, when they look at these tax cuts, which all of us support tax cuts, and I certainly would like to see one passed, that it not be so large that it puts us back into a deficit situation or does not allow us to implement some of these needed health care reforms.

What I want to start out, if I could, Mr. Speaker, is by saying that when I talk about expanding health insurance and access to health insurance, I think you know in previous Congresses we have worked, for example, to expand health insurance for children, the so-called CHIP program, which now allows children whose parents make more than would be eligible for Medicaid, and who mostly are working, are now allowed in their individual States to enroll in a Federal program so their kids are covered by health insurance.

However, during the course of the last campaign it was quite clear that the Democrats felt very strongly and still feel strongly that the CHIP program needs to be expanded to include adults, the parents of those children who are in the CHIP program.

It was very interesting, because during his confirmation hearings the new HHS Secretary, Secretary Thompson, actually said that he would like to see parents whose children are in the CHIP program be allowed to enroll in the program as well.

I mention that because I think even though this was a Democratic idea, it is something obviously that is supported by the current Health and Human Services Secretary, who is a Republican. So, again, I hope that we see some of our Republicans coming along with this proposal.

The other thing the Democrats have been championing for some time is the idea that people between the ages of 55 and 65 who are not eligible for Medicare now be able to buy into Medicare, the so-called ''near-elderly.'' I would venture to say, Mr. Speaker, that if you were able to enroll all the kids that are now eligible for CHIP, and then expand the CHIP program to include all the parents whose children are in CHIP, and then expand Medicare so that the near-elderly, 55 to 65, could sign up, we would go a long way towards solving the problem of those 40 million Americans who work but who have no health insurance. I would like to see that done on a bipartisan basis.

Let me also mention the Patients' Bill of Rights, the HMO reform. It is abundantly clear to me that in the last Congress, even though the Patients' Bill of Rights was a Democratic initiative, the HMO reform, we had a number of Republicans who came forward and voted for it here in the House; and we had some very prominent Republicans who took the lead on it, the gentleman from Iowa (Mr. GANSKE) and the gentleman from Georgia (Mr. NORWOOD), who took the lead on it.

Why can we not pass that bill? We should be able to in this Congress. I know that most of the Republicans did not vote for it in the last Congress in the House, but there is no reason why we cannot do it.

President Bush comes from the State of Texas. Texas has a Patients' Bill of Rights, or an HMO reform, very similar to the Democratic Patients' Bill of Rights proposal. Let us see what we can do to get it passed on a bipartisan basis.

Finally, let me talk about the prescription drug benefit. I know when I go home and talk to my constituents, the seniors in my district, the biggest concern they have is the fact that Medicare does not cover prescription drugs, and many of them cannot sign up for Medigap programs or cannot get into an HMO where prescription drugs are covered, or may have been in such an HMO and had their coverage dropped as of January 1 of this year.

So we need to enact a prescription drug program under Medicare. Everyone in Medicare should be eligible for

prescription drug coverage, regardless of income, regardless of age, regardless of disability.

I wanted to talk if I can tonight, again I said I want to limit the amount of time that I took, because I want to yield to some of my colleagues, but I just want to develop a little more what the Democrats have been saying with regard to HMO reform and the Medicare prescription drug benefit.

What the Democrats have been saying is they want a strong enforceable Patients' Bill of Rights. This strong legislation with regard to HMO reform should include protections for all Americans and in all health plans. It should assure access to all emergency room care when and where the need arises. It should guarantee access to specialists when patients need it. It should guarantee access to a fair and timely internal and independent external appeals process, so patients can address disagreements with their health plans. It should have meaningful enforcement for patients who have been harmed as a result of health plan decisions. It should assure access to clinical trials and assure patients can keep their health plans.

If I could summarize what the Democrats have been saying about HMO reform and the Patients' Bill of Rights, basically we are saying we want medical decisions no longer made by the insurance company or the actuaries, but by the patients and their physicians. We want to switch it so that now those medical decisions are made by the patients and their physicians. And we want it that if the health care plan, if the insurance company, denies you care, that you have a right, either internally or through some arbitration, to review and to appeal that decision and have it reviewed by somebody who is not part of the insurance company. Finally, that you have the right to sue if all else fails. Those are the basic tenets of what we think are important for HMO reform.

Now, I have to say I was a little disappointed, because many of us, both Democrat and Republican, both House and Senate Members, most prominently Senator MCCAIN as a Republican, Senator Ted KENNEDY a Democratic, leaders on health care issues, just a week ago we had a press conference. I was there along with some House Members, the gentleman from Michigan (Mr. DINGELL), the lead sponsor among the Democrats in the House in the last session, the gentleman from Iowa (Mr. GANSKE), one of the lead sponsors on the Republican side in the House, and we put forward a new Patients' Bill of Rights that is very similar to what was on the law in Texas, is on the law now, was there when President Bush was the governor, and very similar to the Patients' Bill of Rights that passed the House last session. It actually went even a little further than some of us would have liked by limiting punitive damages that patients can recover.

That was introduced last week on a bipartisan basis; and we were hopeful that President Bush, who talked about what existed in Texas during his campaign and how good it was, would go along with it. But, unfortunately, very quickly thereafter we saw the President's spokesman saying that this new bill, very similar to Texas law, very similar to the Patients' Bill of Rights in the last Congress, was not acceptable. In fact, I had a quote here from a letter that was sent, that the President wrote in the letter to the House and Senate GOP leadership, and he said he does not believe any bill currently before the Congress meets his principles.

So, again, I do not know what kind of games the President is playing. It seems to me that he should get on board this bill, with so many Republican Senators, so many Republicans in the House, on a bipartisan basis, and support it, because we need HMO reform and we need it now.

I am going to continue to speak out every night or as often as I can here on this issue, because I think it is important and it should pass and it can pass.

Let me just talk a little bit, for about 5 minutes, about the Medicare prescription drug benefit. The Democrats have certain principles, and I am just going to go through them very quickly.

We are saying the Medicare prescription drug benefit should be accessible and voluntary for all beneficiaries. Everybody in Medicare should be eligible for it, not just low-income people, not just certain people, everyone. It should be affordable to beneficiaries, it should be competitive and have efficient administration, because we do not want any waste, and it should provide high-quality and needed medications.

Let me develop those a little more. When we talk about accessible and voluntary, we say it should be an option for all beneficiaries, not limited to low-income beneficiaries, and provide an option to those with few or no choices.

It should be also available, whether or not you are in a traditional fee-for-service Medicare or you are in an HMO managed care. It should not matter. You are still eligible for the prescription drug benefit. It should ensure adequate access to pharmacists.

Just as an idea, just to give you a little more detail about what we proposed, and we talked about it and tried to pass it in the last Congress, we are talking about $26 per month in the first year that covers 50 percent of total premium costs, no lower premiums for low-income beneficiaries. I mean, if you are below a certain income, you would not pay any premium, is what we are saying. And there would be privately negotiated discounts gained by pooling beneficiaries' purchasing power, so we can keep the cost down.

I am not going to get into all the details this evening, but I just wanted to give you an idea of what the Democrats have been proposing and why it is so different, unfortunately, from what President Bush proposed just a few weeks ago.

This disturbs me a great deal, because during the course of the campaign, President Bush said, gave the impression, I thought, that he wanted a universal Medicare prescription drug benefit that everyone would be eligible for and all Medicare beneficiaries would have access to. But he is not proposing that.

This was, I guess, on January 31, just a few weeks ago, he unveiled his prescription medicine proposal called Immediate Helping Hand. It establishes block grants for States to provide prescription coverage for some low-income seniors and some seniors with catastrophic drug costs.

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His plan limits the prescription coverage to Medicare beneficiaries with incomes up to 35 percent above the poverty level; in other words, $11,600 for individuals, $15,700 for couples, and seniors with out-of-pocket prescription spending of over $6,000 per year. That is the catastrophic coverage.

What does this mean? Most Medicare beneficiaries will not be able to get this prescription drug plan. It is not universal. I think that is a terrible thing, because I will be honest, if I can use my own home State as an example, in New Jersey if one is below these guidelines that the President has proposed, they automatically get what we call a PAAD program financed with casino revenue funds, so one only pays about $5 for prescription drugs. It is the people above that that are hurting, middle-income people that have no access to a prescription drug plan, in most cases.

Just to give an example about how few people the Bush plan would cover, for example, a widow with $16,000 in annual income and $5,000 in annual drug spending would be eligible for no help at all because she is below the income, but she is not getting to that $6,000 catastrophic coverage for the rest of the year.

Also, administering through the States, through block grants, it is not going to work. A lot of the States are not going to do it. The National Governors Association actually opposes it. Already some of the Senators have opposed the Bush plan. Senator GRASSLEY, the chairman of the Finance Committee, who is going to have so much input on this, he called the proposal dead before its arrival. I say, good. I think it should be dead before its arrival, because I think the bottom line is that we have to come up with a prescription drug plan into Medicare that covers all Medicare beneficiaries and is not just limited to low-income individuals, and that is not basically run by the States but run like Medicare, just like the Medicare program, throughout. That is what we need.

Again, we are going to be out here on a regular basis, the Democrats, talking about why this is necessary, not because we want to be partisan, because

I do not think there is anything partisan about Medicare prescription drugs or HMO reform or coverage for more people who do not have health insurance.

The bottom line is, the Democrats believe in certain principles. We know some of the Republicans will come along with us, but we need to have more come along with us, and we need the support of President Bush if we are ever going to get anywhere with this.

Mr. Speaker, I yield to my colleague, the gentleman from Arkansas (Mr. BERRY), one of the co-chairs of our Health Care Task Force, who has been outspoken on this issue and many others.

Mr. BERRY. Mr. Speaker, I thank the gentleman from New Jersey for yielding to me, and I appreciate his leadership ever since I has been in the Congress on these issues, and everything that he has done.

As everyone knows, last year's Presidential race was the closest in history. The Senate is evenly divided, the House is very closely divided. I do not believe that the close elections give a mandate to gridlock. The American people expect us to get something done, and they should.

Health issues are certainly among the most hotly debated issues in the campaign. Both sides promised to advance a Patients' Bill of Rights and Medicare coverage for prescription drugs. I see no obstruction or barrier that is so great that Congress and the new President should not be able to work out important ideological differences that exist, and reach an agreement soon.

Last week I was happy to join with others in introducing a bipartisan Patients' Bill of Rights legislation that will ensure that every American with private health insurance has basic guaranteed protection.

While some HMOs behave responsibly, the legislation is desperately needed to protect the vulnerable from insurance bureaucrats who place profits above all else. I encourage President Bush to come to the table and work with us to ensure a meaningful legislative package is enacted this year. For the sake of thousands of patients who are inappropriately denied health care daily, time is of the essence.

I want to also speak just a minute about prescription drugs. No single issue places a greater toll on our senior citizens than the outrageously high prices that pharmaceutical companies charge for prescription medicine. It is absolutely time that we do something about it. Drug spending over recent years has been climbing steadily at 15 to 20 percent a year. According to a study released last year by Families U.S.A., from January of 1994 to January 2000, the prices of prescription drugs most frequently used by older Americans rose an average of 30.5 percent. This increase was twice the rate of inflation.

In order to meet the needs of America's seniors, Congress should take immediate action to create a Medicare drug benefit and reform the pharmaceutical marketplace to be sure that it is fair to all Americans and all people. It only makes sense that the government should use the purchasing power of 40 million Americans on Medicare to win prescription drug discounts and not break the bank in creating a prescription drug benefit under Medicare.

I am encouraged that President Bush sent a prescription drug plan to Congress last week. However, I am disappointed that after an election in which the prescription drug issue was front and center, that the White House chose to unveil it in such a low-profile manner.

I agree with the concerns raised by members of both parties that instead of putting an emphasis on block grants to States that only attempt to help low-income seniors, a much more comprehensive approach should be taken that gives all seniors the opportunity to receive a prescription drug benefit under Medicare.

I look forward to working with members of both parties and the new administration to put a serious effort into seeing that meaningful HMO reform and Medicare prescription drug benefit is enacted in time to help all Americans who desperately need that help today.

I have been in this people's House now for a little over 4 years. We had these same problems when I came here. It is very distressing to think that we yet allow this to go on when it is a very simple thing to stop it and to help our seniors, and to be sure that people do not get mistreated by insurance companies that are willing to put their health and safety second behind profits.

Mr. PALLONE. Mr. Speaker, I thank my colleague for coming down here and joining me, as he has on so many other occasions.

Quickly, the gentleman is absolutely right, we have been talking about this for 4 years. I think we were very hopeful during the campaign when we heard President Bush then talk about these issues, the HMO reform, prescription drug benefit, that we were going to see quick action on it. Even in the beginning of the Congress, at the time of his inauguration a month ago, it seemed like this was going to be a priority.

We have heard very little about it. We have heard about the tax cuts, about defense spending, we have heard about a lot of other issues. When he unveiled his prescription drug benefit, it was almost like it was not even important. I just hope that that turns around, but we are certainly going to make sure that turns around. I thank the gentleman.

BLACK HISTORY MONTH

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 3, 2001, the gentlewoman from Ohio (Mrs. JONES) is recognized for 40 minutes, the remainder of the time, as the designee of the minority leader.

Mrs. JONES of Ohio. Mr. Speaker, I want to thank my colleague, the gentleman from New Jersey (Mr. PALLONE). He has stood up on this issue. Last year was my first term in the U.S. Congress, and there was not a greater voice on the issue of health care than that of the gentleman from New Jersey.

I appreciate the gentleman yielding the balance of this hour as we celebrate Black History Month this year, and I thank the gentleman, who should let me know when he needs a speaker and I will be there for him.

Mr. Speaker, Black History Month is an excellent time for reflection, assessment, and planning. A full understanding of our history is a necessary and crucial part of comprehending our present circumstances and crafting our futures. An understanding of our history helps illuminate and inform the present discussions concerning voter rights, particularly the travesty we recently witnessed in Florida, a social, political, and legal travesty ultimately sanctioned by the United States Supreme Court.

At this time, the subject matter of our special order is black history. We are going to be talking about voting rights, and historically, the disenfranchisement that occurred through the years.

It gives me great pleasure to yield to the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON), the chairwoman of the Congressional Black Caucus.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I thank the gentlewoman from Ohio for yielding to me. I also thank her for her leadership in leading this series of speakers tonight here on Black History Month.

Mr. Speaker, it is my honor to open the Congressional Black Caucus' annual Black History Month special order. This is the year that we will focus on a very important area for every black American; that is, voting rights and election reform.

We do this in the spirit of Sankofa. In Africa, Sankofa is more of a philosophy than a single word. It means that we learn from the past, work in the present, and prepare for the future. So in the first year of this new millenium, it is fitting that we honor African-American heroes and heroines, on whose broad shoulders we stand.

Mr. Speaker, we must mention those who paved the way to freedom in thought and deed, such as W.E.B. DuBois, Harriet Tubman, Booker T. Washington, Mary McLeod Bethune, Sojourner Truth, Malcolm X. As Members of Congress, we must also take note of those who served in the political realm, such as Dr. Martin Luther King, Junior, Ralph Bunche, Barbara Jordan, Fannie Lou Hamer, Adam

Clayton Powell, Marcus Garvey, Shirley Chisholm. I could go on.

These African-Americans and countless others whom I have not mentioned by name are the reason that I am standing here today in the well of the United States House of Representatives as chairperson of the Congressional Black Caucus. They paved the way for me and for many of my colleagues in Congress.

However, when I look at the past, we cannot forget essential elements of political representation and the right to vote. African-American men were first granted the right to vote as a result of the 15th amendment to the Constitution. That post-Civil War amendment to the Constitution guaranteed that newly-freed slaves would not be denied the franchise simply because they had been held captive.

As a result of the 15th amendment and the use of Federal troops in the formerly Confederate States, black people were able to enjoy the fruits of liberty. They were able to vote, and their votes were counted.

Between 1870 and 1900, there were 22 African-Americans who served in the U.S. Congress, and countless more serving in State and local governments. However, this era of reconstruction began to fade away, and in State after State the right to vote and to participate in democracy was whittled away by oppressive means such as the poll tax, the grandfather clause, and the literacy test. The right to participate was brutally wrenched away by the intimidation of the night-riding Ku Klux Klan and the questionable imprisonment of large numbers of black men on trumped-up vagrancy and other minor charges.

We have to recall this history and be mindful, because we do not want to repeat it. But for most black Americans, the right to vote was a withdrawn promise that had been sacrificed at the altar of political expediency, the compromise of 1877 which allowed Rutherford B. Hayes to become President, who withdrew the last Federal troops from the Confederate States and ended the era of reconstruction.

By 1900, segregation was firmly established. Jim Crow was the law of the land, and terrorism and lynching ruled the South. Between 1929 and 1965, only eight black Members were elected to Congress. It would take the passage of the Federal Voting Rights Act of 1965 to begin to restore African-Americans to the right to participate in representative government that every other racial and ethnic group in this country had freely enjoyed.

This was under a Texas President. The President was Lyndon Baines Johnson. We stand here today with another Texan as President, and I know that he can do no less.

Today the Congressional Black Caucus is 37 strong, dynamic, informed, and committed leaders. But here we stand, almost 40 years after the landmark 1965 legislation, and again are confronted with the question of whether African-Americans will be allowed to vote and whether their votes will count. In the words of the great Santayana, ''Those who do not remember the past are condemned to repeat it.''

□ 2045

We have read the past. We remember many of the past. All of us that are here remember the march from Selma to Montgomery. And, Mr. Speaker, for all of these reasons, I believe it is imperative that the first thing we address in the 107th Congress is election reform.

As far as I am concerned, the entire integrity of our democracy is at stake for voting, and having one's vote counted is the very crux of any democracy. And our reputation and standing in the world is on the line. The world is watching to see if America, the matriarch of democracy, will right the wrongs of the election system which was so badly exposed in the last Presidential election, not just in Florida, but many other States around the country, including my home State of Texas.

Mr. Speaker, last week, at the Democratic Caucus retreat in Pennsylvania, we were visited by our President, and when I was able to ask him a question, I asked him to support comprehensive election reform for this fiscal year 2002. In his budget, he responded positively. Election reform must be a part of the national discussion now, and we must solve the inadequacy of our system in time for the 2002 election cycle. But in order to do that, we would like to pass election reform legislation, not later than the 4th of July of this year. That is the anniversary of the United States claim of independence from the British system which refused to allow American colonists representation.

We do not want any American to be refused representation. If we enact legislation by this date, State and local officials should have sufficient time to implement uniformity of our election system that it so critically needs. However, they must also be given adequate resources and incentives to ensure the blessings of liberty for all Americans.

Now, our critics may say why is the Congressional Black Caucus talking about election reform? Why are they not talking about education reform, tax policy, the budget, maintaining a strong national defense, health care reform, fighting the scourge of AIDS in the U.S., and in Africa where this dreaded disease is killing entire villages and societies, to them I say we will address these issues, and the Congressional Black Caucus plans to be at the forefront of all of these issues and many others.

But we strongly believe that our liberty and our democracy will not be free until we fix our election system such that the public and the world must have faith that in any election held in the United States, that the true winner wins, then the confidence that the world has in our great democracy will be damaged beyond repair. If we do not do it, our reputation will be damaged beyond repair.

We cannot allow this to happen. I must tell you, Mr. Speaker, the world is watching. And as I have visited outside this country since that election, the question has been posed, would not the American people go to the UN and ask for elections to be overturned if they did not feel that it was a fair election? And yet, the greatest power of the world has not raised the question about this election.

So it is over, and it has been decided by the Supreme Court, but we cannot move on. And so in this month of black history, as we reflect and as we celebrate our history and think about our African American mothers, fathers, ministers, teachers, officers, firemen, nurses, doctors, lawyers, painters, maids, maintenance people and any other community leader, we must say to them that your vote is as important as a vote of the Supreme Court, for it is us who must elect a President, and we cannot do it until we are assured that our election system is fixed.

We simply must fix this system to ensure that we have a bright future for America. Remember, the words of Santayana, remember the past or we might be condemned to repeat it.

Mrs. JONES of Ohio. Mr. Speaker, in 1901, the last black to leave Congress as a result of the Jim Crow laws was George Henry White from North Carolina, who stood up on this floor and declared, ''you have excluded us. You have taken away the right to vote, and so I am the last one to leave.''

This, Mr. Speaker, is perhaps the Negro's temporary farewell to the American Congress. But let me say, Phoenix-like, he will rise up some day and come again. These parting words are on behalf of an outraged heart-broken, bruised and bleeding, but God-fearing people, fateful, industrious, loyal people, rising people, full of potential force.

The Congressional Black Caucus, 37 strong, are the Phoenix that have risen up, just as George Henry White said back in 1901.

Mr. Speaker, I yield to the gentlewoman from Florida (Mrs. MEEK).

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentlewoman from Ohio (Mrs. JONES) for yielding to me.

Mr. Speaker, I want to thank my illustrious sister and colleague who has given us a chance to help America understand what Black History is all about and what it means to all of us and to my colleagues.

Mr. Speaker, I am pleased to have this opportunity to stand with my colleagues tonight to celebrate, educate and share the rich culture and accomplishments of African Americans. God has been good to us. The 37 Members of us who have been able to now reach the pinnacle of success in the United States Congress. To date, we not only celebrate African American history month, but American history as well.

The history of African Americans is intricately woven into the framework of this country. We helped to build this country. We love this country.

None of us are who we are simply by some kind of divine intervention. We are who are because of many experiences and the many people with whom we have come in contact with, and because of those who have gone on before us. We have made a great difference in this country and a great difference in our own lives.

Many of those who have proceeded us in this life and in this body have fought hard to give us the right to vote. Some, Mr. Speaker, have even died. The right to vote is a fundamental right of all Americans, and it is not to be taken lightly. It is a part of our quest as the Congressional Black Caucus to be sure and emphasize the fundamental right of all Americans to vote.

And, I believe, it is the responsibility of government to protect this so basic and fundamental right, which has been guaranteed to all its people. It seems to me and the people that I represent that after what took place this past fall, that our government has let us down.

In my own case, my grandfather was a slave. He had no rights at all. I grew up in a southern town, Tallahassee, Florida. My father used to take me to the State Capitol. Every inauguration day, he came to see the governor take his seat; that was the only time we were welcome in our own State Capitol. It was a public building, but we were not welcome. We are welcome today.

America has changed. America will continue to change, but we must have America understand that it is still a basic human right for everyone to be treated fairly and for everyone to have the right to vote.

Within my lifetime, every conceivable effort was made to keep African Americans from voting and to keep our votes from being counted. My generation, like my parents' and grandparents' generation struggled mightily against poll taxes that we had to pay before we were allowed to vote, and literacy tests that required African Americans, and only African Americans, to recite whole sections of State constitutions or answer obscure questions to the satisfaction of examiners who could never be satisfied.

African Americans are alive today who were denied the right to vote in white-only primaries and who had to search for polling places that were moved with no notice in the black community, or moved so far that it was hard to get to them.

I remember the intimidation of being greeted at the polls by disdainful and unhelpful poll workers, or even police officers at the doors. So, please, refrain from telling us to get over it. We cannot get over the many years of hurt and shame and disdainful action on the part of some and of our country.

African Americans today remember when the district lines for cities and counties and legislative districts were gerrymandered and drawn to exclude our neighborhoods or to dilute our vote. We remember how registration records would disappear when we showed up to vote and how the law, administrative procedures and the official discretion of public officials, were used to postpone and delay our attempts to assert our rights.

The Voting Rights Act was supposed to change all of this, Mr. Speaker, and the government was supposed to be a protection and helpful and on the side of equality and inclusion. In the case of Florida, government has failed us miserably.

During the last election, voting machines and equipment and precincts where African Americans lived predominantly were of the oldest vintage and the poorest quality. Ballot procedures were unclear and overly complicated.

A disproportionately large number of votes cast in African American neighborhoods were disqualified. It is clear that the phrase ''voting rights'' is only a mere platitude to many of our justices and government officials. One local official was even ignorant enough to opine that it was not anyone's fault if people could not understand the directions on the ballots.

What a shame in a country that leads the entire world. It is a failure of government and our electoral system when any person who wants to vote, any person who wants to vote is denied the opportunity to do so.

It is a failure of government and our electoral system when courts, the laws and government officials do not do everything humanly possible to ensure that every vote is counted and that the final vote is correct.

Again, Mr. Speaker, it is a failure of government and our electoral system when the outcome of an election is certified without counting all the votes. Never again, the Black Caucus says in its old refrain, must we allow hardworking, tax-paying Americans to be disenfranchised.

Never again must we allow voters who did everything they were supposed to do who studied the issues, who did their civic duty and went to the polls and who voted in massive numbers to not have their votes count.

Never again must we refuse to count all the votes cast.

I encourage this Congress, and with the help of the Congressional Black Caucus, we will help America understand and we will help this Congress to make fundamental election reforms.

It is the highest priority for us and for all Americans to ensure that what happened in Florida this past election never happens again. Never again, Mr. Speaker.

To protect the integrity of our Nation's election system, we must move with all deliberate speed to make sure that what happened in this past election will never happen again.

Mrs. JONES of Ohio. Mr. Speaker, as my colleagues have already said, we cannot get over it. Every time someone raises their voice to question the results of the most recent election, we are told to get over it. Well, I am not ready to get over it, and neither are millions of Americans who watched with horror as the votes of so many people were discounted, and the Supreme Court that we had every reason to hope would protect the rights of all citizens went out of its way to trample on those rights.

Mr. Speaker, I yield to my colleague, the gentleman from the great State of New Jersey (Mr. PAYNE).

□ 2100

Mr. PAYNE. Mr. Speaker, let me thank the gentlewoman from the great State of Ohio for conducting this annual black history hearing. Congressman Stokes did it so many years, and she has certainly filled in the gap.

Mr. Speaker, as we celebrate Black History Month, I rise to join my colleagues in reaffirming our strong commitment to voting rights and our determination to ensure fairness in the electoral process. Of course I was active during the civil rights struggle of the 1950s and 1960s when I marched in the South and Selma and other places and welcomed Dr. Martin Luther King to my hometown of Newark. I am keenly aware that many people gave their lives so that future generations could freely exercise their right to vote: Medger Evers, Martin Luther King, Malcom X, and others.

During the Presidential election dispute in Florida, we heard many reports of voter intimidation and irregularities in the voting process in predominantly African-American precincts. Unfortunately, this is not new and it is not confined to Florida or the South in general.

In my home State of New Jersey, during the recent Senatorial election, white voters began receiving phone calls in the middle of the night between midnight and 4 a.m. on election morning telling them that African Americans were urging them to vote and to vote Democratic. Of course the process was to anger voters, waking people up in the middle of the night, as a way of disrupting the flow.

In New Jersey, Republicans actually have to seek preclearance from the Department of Justice under a consent decree before they do anything out of the ordinary because of past widespread election abuses. Their voter intimidation tactics have included hiring off-duty police officers as so-called ''ballot security'' police; videotaping of voters at African-American polling places; the posting of threatening signs warning that potential voters could be arrested and sent to jail.

There was a high profile incident in New Jersey which gained national attention when a top campaign official in the gubernatorial race bragged about paying African-American ministers to keep minority voters from the polls, all lies.

As members of the Black Caucus, we are here to say that we will stand up for the right to vote guaranteed by the Constitution and reinforced by the Voting Rights Act of 1965.

At the top of our agenda for this Congress, we should be having a thorough review of voting problems and an investigation into the disenfranchisement of thousands of voters. Combating voting abuses and ensuring fairer elections in the future is the best way for us to honor the memory of those heroes that I mentioned before.

It is ironic. In 1981, we had an election for governor that was only a few thousand votes out of the 3 or 4 million votes cast in New Jersey decided the outcome. At that time, it was this ballot security group that came out and intimidated voters and so forth.

In Florida, we heard the Supreme Court decide the future of this country by stopping the vote and giving the election to the now-President George Bush. The Supreme Court used the 14th Amendment involving the equal protection under the law, an amendment stating that you cannot have different standards in different counties for looking at votes. But it is very ironic that the 14th Amendment came about after the Dred Scott case where Judge Taney said that Dred Scott, who was a slave and was taken from his slave State to a free State, that the owner could not continue to have him as a slave, but Judge Taney said, yes, blacks have no rights that white men have to observe.

The 14th Amendment was passed in the middle 1860s to say that there is equal protection under the law and therefore the Dred Scott decision was overturned by the 14th Amendment. It is ironic in Florida the 14th Amendment, which was used to free Dred Scott, was used to deprive African Americans of their right to vote.

As I conclude, I once again thank our chairperson of this night for her leadership.

Mrs. JONES of Ohio. Mr. Speaker, ''get over it; get over it.'' That is what those in power often say to people whose rights have been violated yet still have the audacity to raise their voice in protest. Get over it. We have heard that whenever our objections make it inconvenient for those in power to peacefully relish the fruits of their wrongdoing.

But it is important that this Nation understand why so many people cannot get over this one. The inability to get over it is not based upon stubbornness or misdirected anger or a victim mentality or an eagerness to play the race card. It is the logical and understandable by-product of years, decades, and even centuries of concerted efforts to disenfranchise minority voters in this country. We must not look at this as an isolated incident, a fluke, or an aberration because it is not. Instead, we must view it in its proper historical context.

When we do this, we see why the debacle in Florida is the latest, but certainly not the only example of why the long struggle to win the franchise is not over.

Attempts by blacks to gain the right to vote go back even back before the Civil War.

We have already heard some of the testimony and statements given my colleagues, and I note that I have been joined by another one of my colleagues, who I would like to give an opportunity to be heard.

Mr. Speaker, I yield time to my colleague, the gentleman from Alabama (Mr. HILLIARD).

Mr. HILLIARD. Mr. Speaker, today is one of those days that we set aside to pay tribute to our forefathers, their history, and what they have done for America.

When you consider all of the groups that have come to America and when you consider all of the contributions that have been made, there is no question that the contributions of African Americans to this country is so immense and so extraordinary it cannot be recorded in its entirety anywhere in the pages of American history. It is just that vast. But when we think of the manner in which African Americans were brought to this country, we think of slaves. We think of someone who had no freedom. We think of someone who was physically restrained and in many cases physically incarcerated.

But the loss of freedom is not just being physically restrained or physically incarcerated.

When a person mentally sets up a defense because of rejection or because he is treated differently, that also is a form of slavery.

When a person is denied the right to vote, when a person's vote is not counted, that also is a loss of freedom. It is a shame and an unpardonable sin that in the year 2001 African Americans still do not have rights and freedoms that all other Americans enjoy because of the views of this country and its majority.

In the past election, African Americans were encouraged to vote. Every manner and every medium of communication were used to get them to vote, to get them to the polls. And all the while we were making those plans, there were those who were making plans to minimize that effort. We were talking of ways of getting people to the polls, ways of encouraging them to vote, and there were those who were thinking of ways to intimidate them, ways to keep them from voting, methods of not counting their votes.

That, Mr. Speaker, was a destruction of freedoms. That set up a form of slavery. We must eradicate all vestiges of slavery. The only way that can be done is to ensure that every American, every American, has the right to vote and has his vote counted, has his vote counted in every way and every town. That is the way of freedom.

So when we look at all of the great things that African Americans have done for this country, all of the great things that have been done to build this country to where it is now, we must recognize that in that greatness is the right of freedom, the right of freedom, and the right of citizenship. So as we celebrate black history of African Americans this month, we must remember that America is not free until every citizen is afforded all of the freedoms that every other American enjoys.

Mrs. JONES of Ohio. Mr. Speaker, as we continue this special order, many want to know why we have chosen to focus in on the electoral forum and to replay what happened in Florida. It is history. It is history that many of us lived through. It is a history that we do not want our young people in this country to forget. It is a history where we want to encourage those who are out listening to us to remember how precious the vote is, to not be discouraged and not feel that we cannot talk about this, to not think that their vote does not count.

We should be more encouraged that now more than ever we must bring all of our people to the polls. We must turn out as many as we can. We must educate our people on the issues that are coming to the ballot. There is not a Presidential election again for 4 years, but there will be elections in every city and State over the next 4 years and we must have our voice heard.

Attempts by blacks to gain the right to vote go back before the Civil War. In the 40 years prior to the Civil War, none of the new States that joined the Union recognized black voting rights. By 1869, 4 years after the Civil War had ended, only 6 northern States had extended the franchise and no State with a large black population had accepted the notion of black suffrage. Obviously prior to the Civil War, none of the slave States granted the vote to blacks.

Following the Civil War, the Federal Government made numerous efforts to expand suffrage rights to blacks. Southern States intimidated and blocked newly freed slaves from voting by using literacy tests, the grandfather clause, poll taxes, ''white primaries,'' and other schemes. Southern States did all in their power to continue to subjugate their former slaves. Only when the Federal Government stepped in and sent Federal troops into the South were blacks able to vote.

Nevertheless white Southerners continued their efforts to recapture political control of State governments. Recognizing the vote as the great equalizer, they immediately set about undermining the 15th Amendment. In ''From Freedom to Slavery,'' noted historian John Hope Franklin cataloged a number of tactics used during that period that are disturbingly similar to some of the things that we saw in Florida: ''Elaborate and confusing election schemes, complicated balloting processes, and highly centralized election codes were all statutory techniques by

which blacks were disenfranchised,'' he wrote.

Sounds familiar, does it not. The Hayes-Tilden deal of 1876 sold out blacks and signaled that the Federal rights to protect the former slaves would yield to States rights, which would put blacks at the mercy of hostile State governments. That deal nullified the 15th Amendment and restored exclusive political controls to whites.

The ingenuity of opponents of the franchise for black Americans is what prompted the United States Supreme Court, in a series of voting rights cases, to remind the Nation that ''The 15th Amendment nullified sophisticated as well as simple-minded modes of discrimination.'' Nonetheless, efforts at disenfranchisement continued throughout the first half of the century necessitating Congress to enact the 1957 Voting Rights Act and the 1965 Voting Rights Act. Those laws aimed at protecting the voting rights of African Americans were passed after a long and shameful orgy of lynchings, capped by the assassinations of Harry T. Moore in Florida, Medger Evers, Michael Schwerner, James E. Chaney, Andrew Goodman and Viola Liuzzo in Mississippi.

□ 2115

There is one major difference, however, between past disenfranchisements and what we saw in Florida. Traditionally, we could generally count on the Federal Government, particularly the Supreme Court, to step in and stop the rampant violations of minority voting rights in this country. Sadly, that is no longer the case.

In our last election, our U.S. Supreme Court not only failed and refused to protect voting rights, it used a ludicrous constitutional argument to actively thwart voting rights, and in so doing validated the obnoxious tactics we watched with such horror. Knowing this, why are people so surprised that so many of us look at the Florida situation not as a fluke but as a continuation of a pattern of disenfranchisement? Anyone looking at this in the context of the history of voting rights in this country would understand why we will not just get over it. We will not just get over it. We will not just get over it.

I thank my colleagues for listening and participating in this Special Order on black history and voter reform and the history of voting in our country.

SOCIAL SECURITY REFORM

The SPEAKER pro tempore (Mr. CULBERSON). Under the Speaker's announced policy of January 3, 2001, the gentleman from Michigan (Mr. SMITH) is recognized for 60 minutes.

Mr. SMITH of Michigan. Mr. Speaker, what is facing the United States Congress right now is a decision of where do we go to help make sure that the economy keeps growing. What do we do in terms of President Bush's suggestion on tax cuts? How far should we go on those tax reductions to achieve tax fairness? How do we make sure that what we do is going to help make the economy stronger in the long run?

I would like to start with a chart that represents how the Federal Government spends money. This chart represents the spending of the Federal Government. And as we see from this pie, the largest expenditure is Social Security. So Social Security takes 20 percent of what the Federal Government spends. The next largest, of course, is the domestic discretionary budget. That is what this Congress, this body, the House and the Senate, with the White House, debate and argue on every year in 13 appropriation bills is the discretionary spending, in addition to defense. Defense spending is 17 percent; interest is 13 percent. That is why paying down the debt and continuing to do that is very important.

Today, this House made a decision that we were not going to spend any of the surplus coming in from Social Security taxes or Medicare taxes. I think that is a good start. Our goal has got to be to try to reduce the increase in spending of the Federal Government because the question that everybody in this Chamber needs to ask, the question that America needs to ask is how high should taxes be. Is there a point where taxes are so high that it discourages some people from going out and working, starting a new business and hiring more people? Is it possible that taxes become so high that people do not go get that second job to try to do well for their family because government takes most of the money?

Mr. Speaker, I ask everybody that might be listening to make an estimate of how many cents out of every dollar the average American taxpayer earns goes to pay for government. The answer is a little over 41 percent. Forty one cents out of every dollar that an individual earns goes for local, State, and Federal Government. And it would be my suggestion that we lower that. So I support President Bush's suggestion that we have greater tax fairness; that we leave a little more money in the pockets of those individuals that earn it.

One of the challenges, probably two of the biggest challenges that face this Congress, that face this country in terms of government programs, is Social Security and Medicare. When Social Security started, Franklin Roosevelt said, coming out of the Depression, that we need some alternatives except going over the hill to the poor house. So we started a Social Security system.

Social Security was supposed to be one leg of a three-legged stool to support retirees. It was supposed to go hand in hand with personal savings accounts and pension plans. One-third. Today, a lot of people depend, over 90 percent, on just their Social Security check. So it is understandable during this last Presidential election that some seniors became concerned when Vice President Gore suggested that they might be losing benefits if we hired this other Governor Bush to be our next President.

I think the challenge much greater than that is not doing anything on Social Security. So I would encourage this administration to move ahead as aggressively as possible to try to make sure that we do not just talk about putting Social Security first but we move ahead to make the kind of changes that are not going to leave a huge debt for our kids and our grandkids and will make sure that Social Security is solvent, and to do that without cutting benefits and without increasing taxes on American workers.

The Social Security system right now is stretched to its limit. Seventy-eight million baby boomers begin retiring in 2008. Social Security spending exceeds tax revenues starting around 2015, maybe a little sooner. And Social Security trust funds go broke in 2037, although the crisis arrives much sooner than technically when the trust fund goes broke.

Let me try to give my impression of what the Social Security trust fund is. Starting in 1983, when we had the Greenspan commission to change Social Security to make sure it kept solvent for the next 75 years, we passed into law a bill that the experts said would keep Social Security solvent. And the action that was taken at that time was to dramatically increase the taxes that American workers paid and to reduce benefits. And that has happened several times throughout history. So I suggest that it is very important that we not delay or neglect making the changes in Social Security now so that it will keep solvent without lowering benefits or increasing taxes.

Insolvency is certain, and that is because we know how many people there are and we know when they are going to retire. We know that people will live longer in retirement. We know how much they will pay in and how much they will take out, and payroll taxes will not cover benefits starting in 2015, and the shortfall will add up to $120 trillion between 2015 and 2075. The shortfall. In other words, there will be $120 trillion less coming in from the Social Security taxes than is needed to pay the benefits that are now promised.

Right now Social Security gives a wage earner, on average, a 1.7 percent return on the money they and their employer put in. So in 10 years we are looking at a situation where retirees will be receiving someplace maybe even closer to a 1 percent return because of Social Security taxes continually increasing, and the suggestion of expanding benefits is ever on the minds of this body. So the challenge before us certainly is how are we going to keep Social Security solvent. What are the changes that can be made? How do we get better than a 1.1 percent return on that particular money?

And of course we know that a CD at the local bank will do much better than that. The question before the United States, before the American people, is should some of this money go into the stock market. Should some of the money be put into bonds? And how risky is it if some of this money went into equities? And I think that is what I sort of want to discuss, what the history of equities is.

First, let me say, to make it absolutely clear, that Social Security is not solvent. We can say it is going bankrupt or broke, but the fact is that there is going to be less money coming in than we need. So then we look at the Social Security trust fund and we say to the House and the Senate and the President, look, we borrowed this money for other spending for the last 40 years, now it is time to pay it back.

So what does Congress do to pay back the money that it has borrowed? What does Congress do to pay back the funds in the so-called Social Security trust fund? Probably one of three things: they either say, look, so that we do not have to pay back so much, we are going to again lower benefits; or we reduce spending on other programs to come up with the money for Social Security; or we increase taxes. Those are the three options.

If there was no such thing as a trust fund, but we have a law that says these are benefits, what would government do to come up with the money to keep its promise to pay those benefits? Same three things: we either reduce other spending, or we reduce the benefits going out to retirees, or we increase taxes on current American workers. So in reality we should not look to the trust fund as the savior of Social Security.

What is happening is on two fronts with Social Security. It is a pay-as-you-go program. Since 1934, when we started Social Security, it was current workers paying in their taxes that went immediately out to current retirees. So a pay-as-you-go program, but what is happening is fewer and fewer workers in relation to the number of retirees. Our pay-as-you-go retirement system will not meet the challenge of demographic change.

In 1940, there were 17 workers for every one retiree. By 2000, there were only 3 workers. Today, there are only three workers paying in their tax that immediately goes out to pay a retiree's benefits. And the estimate is that by 2025 there will be two workers paying in their Social Security tax. So a tremendous extra burden on those two workers, and the threat of increasing the tax on those two workers is even greater if we do not step up to the plate and make some changes now.

So now is the time. We have surpluses coming in. We have a surplus this year of $236 billion. We have a total surplus in next year, the budget that we are now working on, of $281 billion. The following year the surplus is $303 billion, and we have heard $5.6 trillion surplus over the next 10 years. So I suggest, Mr. Speaker, I suggest that we take some of that surplus now and we fix Social Security and we fix it in such a way that it can stay solvent, that our kids are not burdened with the threat and the probability of those higher taxes.

This chart represents the short-term good times over on the top left in blue, and then when we hit 2012, with less money coming in than is needed to pay benefits. We have a huge challenge of future deficits. And, like I mentioned, in today's dollars it is an unfunded liability of $9 trillion. If we take it in tomorrow's dollars, as we need the extra money over the years, in those future years up till 2075, it is going to take $120 trillion. But if we can fix the problem today with a couple trillion dollars of that surplus and start getting a better return on the money that is invested, then we can keep Social Security solvent.

□ 2130

A lot of people I talk to around the country on Social Security have the feeling that somehow there is a Social Security account with their name on it. I quote from the Office of Management and Budget. ''These trust fund balances are available to finance future benefit payments and other trust fund expenditures but only in a bookkeeping sense.'' They are claims on the Treasury that when redeemed will have to be financed, like I said, either raising taxes, borrowing from the public, or reducing benefits or reducing some other expenditures.

It is interesting to note that the Supreme Court, now on two decisions, has said there is no entitlement to Social Security, that simply because you paid in taxes all of your working life and your employer paid in those taxes, there is no entitlement to Social Security, it is simply another tax that Government has imposed on workers of America, and the benefits are simply additional legislation that can benefit retirees. So no promise that you are going to get any benefits.

So I think there is some good justification for putting some of that money in accounts of individuals, to put it into the safe kind of investments where we can guarantee that it will earn more than what Social Security will pay under the current program, where we can guarantee, if you will, that individuals that decide that they want to stay with the old system will have that option, or they can have the option to have the kind of, what in Federal Government we call a thrift savings account where there are limited, if you will, safe investments that everybody that works for the Federal Government can choose the different investments that they think will give them the maximum return on their investment.

Now is a difficult time to maybe convince some people that they should have part of that investment in equities, in the stock market. Yet, if we just look at last month, last month there was almost a 3½ percent increase in the money invested in the stock market.

Since the 1890s, there has never been a 12-year period where there has been a loss of money invested in equities in the stock market.

I want to make mention of the public debt versus Social Security shortfall. Right now we are talking about paying down the debt held by the public. We have a debt in this country of $5.7 trillion. Of that 5.7 trillion, about 3.4 trillion is what I call the Wall Street debt, or the debt that is lent out by the Treasury in Treasury paper, Treasury bills, U.S. Government bonds.

That totals 3.4 trillion. But over the next 75 years, we are looking at a Social Security shortfall in today's dollars, not in tomorrow's dollars, of $46 trillion. So it is just in that time period we are looking at $46 trillion needed up until 2057.

Economic growth will not fix Social Security. Some people have suggested, well, if we can make the economy strong enough, if we can keep growing like we have been, that will help Social Security. Not so, because of the fact that Social Security benefits are indexed to wage growth, in other words, they are indexed to how strong the economy is. So the stronger the economy is, the higher the wages. The higher the wages, the more benefits that are paid out. When the economy grows, workers pay more in taxes but also will earn more in benefits when they retire.

So, in the short-term, a strong economy helps out the problem because individual workers are paying more money in, but when they retire, because there is a direct relationship between what the benefits they are going to get and the money that they paid in in taxes, in the long-run, it is not going to solve the problem.

Growth makes the numbers look better now but leaves a larger hole to fill later. I think the past administration did a lot for us when President Clinton said, we have got to put Social Security first. At least it brought it to the consciousness of the American people that it was important.

I am disappointed that we have not done anything on Social Security for the 8 years that I have been in Congress. I urge this administration to move ahead with the Social Security proposal that will keep Social Security solvent, because the biggest risk is doing nothing at all.

Social Security has a total unfunded liability of $9 trillion. The Social Security trust fund contains nothing but IOU's. To keep paying promised Social Security benefits, the payroll tax will have to be increased by nearly 50 percent or benefits will have to be cut by 30 percent. Neither one, Mr. Speaker, is acceptable to the American people.

So again, it is important we move ahead with solving Social Security.

This chart that I made represents the diminishing return of your Social Security investment. The real return of Social Security is less than 2 percent for most workers and shows a negative return for some compared to over 7 percent return in the marketplace for any period over a 15-year period.

Social Security's real rate of return, this is Black History Month, minorities, because a young black worker dies at an earlier age, receives a negative return on the money that they pay into Social Security.

We need changes there. If they are average, then they get about a 1.7 percent return. But that is going down to just a little over one percent within the next 15 years. And the market is showing a return of 7 percent. So are there some safe investments?

Insurance companies testified before the Social Security Task Force that I chaired for the last couple years and said we can guarantee a return because we are selling it to the public now. We can guarantee you a return of 4.8 percent, or different companies have different percentages.

So it seems reasonable that if we are comparing a system that has a return of around 1 percent to something that we could invest the money in CDs or Government bonds or many other investments that would have a guaranteed return much greater than that, then at least part of the option that American people would choose would say, well, what is going to make me better off when I retire? And, obviously, as we are going to show in a minute, it is going to be some of those private investments.

And the private investments are not only a greater return, but it is the security of knowing it is your money, not having politicians in the future reach into that pot and say, well, times are tough in America. We are going to have to reduce benefits or we are going to have to increase taxes on American workers.

This is a chart I made up on the years that it is going to take to get back your Social Security tax. If you happen to retire in 1940, then it took 2 months to get back everything that you and your employer paid into Social Security. By 1980, it took 4 years to get it back.

Look what it takes to get it back today. Today you have got to live 23 years after you retire to break even to get back the money you and your employer paid into Social Security.

I have been trying to preach that increasing payroll taxes again is not the answer. And everybody in this Chamber agrees. They said, right, we cannot increase taxes on those American workers. Too many American workers already pay more in the Social Security tax, the FICA tax, the payroll deduction than they do in the income tax.

However, that is not the history in this country. Even though past Congresses have said the same kind of promises, what we have done over the years is continue to increase the tax on Social Security.

In 1940, the tax was one percent on the employee, one percent on the employer for the first $3,000. That made a maximum tax every year of $60 per worker. By 1960, it got up to a 6 percent rate, and the base went up also to $4,800 for a total annual tax maximum of $288.

By 1980, the tax got up to 10.16 percent and the base was increased also to $25,900. That made an annual tax a maximum of $2,631. Today we have increased the tax to 12.4 percent. We did that in the 1984 legislation. And we increased the base and indexed it to inflation.

So this year it is approximately $80,000 that you pay the 12.4 percent on, or approximately this year $10,000 for those workers that make that $79,000 a year.

So, again, I suggest that it is not out of reach, that if push comes to shove, if we keep putting off the solution to this problem, we are going to end up with some people saying, well, there is no other way, we need more revenues, let us increase taxes on our kids and grandkids and great-grandkids so that we have enough money to pay benefits.

What is interesting is that we think the senior population is strong politically today. When the baby boomers start retiring in 2008, we are going to have such a huge retirement population and they are living longer and the political power of that retired population is apt to demand that their benefits be increased, not reduced; and so, the only alternative, if we do not fix it today, is the threat of tremendously increasing taxes on our kids.

In an earlier chart, I showed that taxes would have to increase up to 50 percent, an increase in taxes of 50 percent, if we are going to continue to pay those benefits if we do not do anything to try to fix Social Security.

Seventy-eight percent of families now pay more in the payroll tax than they do in the income tax.

The six principles of saving Social Security. One, protect current and future beneficiaries. Two, allow freedom of choice. So you can either stay in the current system or you can have flexibility if you are sure you can get more than that 1.1 percent return on the money that is going in. Should part of that, at least part of that, be allowed for you as individual workers to have it in your own name, in your own account, and preserve the safety net.

Look, this is a country where we are not going to allow anybody to go hungry or to go without clothing or without lodging. So we do have a safety net to make sure in essentially every proposal that has been introduced in Congress on fixing Social Security, and most of those have some private investment aspect, in every case, there is a safety net. We make Americans better off, not worse off. We create a fully-funded system and no tax increases.

Personal retirement accounts. They do not come out of Social Security. They become part of your Social Security retirement benefits. I suggest that, if it is necessary to reach into the surplus over and beyond the surplus that is coming in from Social Security, to make sure that we save Social Security, now is the time to do that, that we use some of these surpluses to make sure that we keep the program solvent and we do that by getting a better return on the investment than the 1.1 to 1.7 percent the average retiree is going to make.

A worker will own his or her own retirement account, and it is going to be limited to safe investments that will earn more than this says, 1.9 percent paid by Social Security. 1.9 percent is the high rate of return that you can make on your Social Security investment. And as we saw by that other chart, a lot of individuals have a negative return from what they put into Social Security.

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Personal retirement accounts offer more retirement security. If John Doe makes an average of $36,000 a year, he can expect monthly payments in Social Security of $1,280. If it is in a PRA, a personal retirement account, the way they have performed for the last 50 years, then it would be $6,514.

Choosing personal accounts. When we passed the Social Security law, we left the discretion that State and county government employees could have an option of being in Social Security or in a retirement pension plan of their own with their own investments. Galveston County, Texas chose that option, to not pay into Social Security but to pay, in the same percentage, into their own pension retirement plan. Employees of Galveston County, Texas, are now making $75,000 in death benefits compared to Social Security's $253 in death benefits. The retirees from the Galveston plan have disability benefits of $2,749. Social Security would pay $1,280. The retirement benefits, Galveston County plan, $4,790 per month, compared to Social Security's $1,280 a month.

I am showing these because some parts of the country have opted to go into some kind of private investment plans. Many of the State governments have private investment plans. Half of the people in the United States now have some investments in equities, in 401(k)s or other retirement efforts. San Diego enjoys PRAs as well. A 30-year-old employee who earns a salary of $30,000 for 35 years and contributes 6 percent to his PRA would receive $3,000 a month in retirement. Under the current system, he or she would contribute twice as much but receive only $1,077 from Social Security.

I thought this was interesting: even those who oppose PRAs agree that they offer more retirement security. This is a quote from a letter that Senators BARBARA BOXER and DIANNE FEINSTEIN

and TED KENNEDY sent to President Clinton. They said, ''Millions of our constituents will receive higher retirement benefits from their current public pensions than they would under Social Security.'' That is the truth.

The U.S. trails other countries in saving its retirement system. In the 18 years since Chile offered PRAs, 95 percent of Chilean workers have created accounts. Their average rate of return has been 11.3 percent per year. Among others, Australia, Britain and Switzerland offer workers PRAs. Many of the industrial countries of the world and many of the developing countries are now ahead of the United States in allowing individuals to have their own passbook that increases every year to give greater assurance in their retirement.

British workers choose PRAs. Ten percent returns on British workers. Two out of three British workers are enrolled in the second-tier Social Security system and now are getting a 10 percent return. The pool of PRAs in Britain exceeds nearly $1.4 trillion, larger than their entire economy.

This is the real rate of return in stocks from 1901 to 1999. So you see the ups and downs. But the fact is if you keep it longer term, if you keep it in for over 12 years, then there is not a loss. The average gain has been 6.7 percent. Again I compare that to the current 1.7 percent in Social Security, soon to be 1.1 percent return, with some parts of our population actually getting shortchanged and getting a negative return. This is the rate of return for the last 100 years, 6.7 percent.

Based on a family income of $58,475, the return on a PRA of course is better. I separated this to putting in 2 percent of your salary or 6 percent of your salary or 10 percent of your salary. Of course Social Security is 12.4 percent of your salary. If it was just for 20 years and you put it in at the 6 percent level, it would equal $165,000 at the end of 20 years. At the end of 30 years, at 10 percent it would be over $800,000. In 40 years, and I guess that is how long most of us are probably planning to work, that is 25 to 65, if you were investing this money over 40 years, even at the low 2 percent rate, it would still equal over a quarter of a million, almost a million if you put in 6 percent of your salary; and if you were tithing and putting in 10 percent of your salary into an average indexed investment, it would be worth almost $1.4 million at the end of that time period, $1,389,000.

I have introduced a Social Security bill since I first got here. When I was in the Michigan legislature, I was chairman of the Senate tax committee, and I was concerned to see that our productivity in comparison to other countries was going down. But what concerned me even more is our rate of savings compared to other countries was embarrassing. The United States that used to save 12 to 15 percent of every dollar they made back in the 1940s and 1950s now end up with an average savings rate in this country of about 4 percent.

That compares to countries like Japan where they are saving about 19 percent and Korea where they are saving about 35 percent of every dollar they make. And because saving and investment is so important to the economic strength of our country, because that is where companies get money to do the research, to buy the tools and machines that are going to increase productivity, increase efficiency and therefore increase wages, it is important that somehow we encourage increased savings. We have done this over the last several years, because what we have done in the United States Congress is we have said, look, we are going to have an IRA that encourages through our tax system more savings. If President Bush has his way, we are going to increase the allowable amount that individuals can save and still have a tax break. We developed the Roth IRA that says if you save the money now, when you take it out in 20, 30, 40 years, whatever that increased value is, you do not have to pay tax on it. So increasing savings is key.

One way to increase savings, of course, in this country is to encourage people to invest in their own personal retirement savings account. My proposal does not increase taxes. It repeals the Social Security earnings limit. It gives workers the choice to retire as early as 59½ years old and as late as 70. In my proposal if you delayed retirement between 65 and 70, you could receive an additional 8 percent increase in your retirement benefits for every year that you delayed retirement. What is interesting is that it is actuarially sound. It does not cost any money to do that, so we should be encouraging people to put off that retirement if they know that they can have that much extra return on their retirement benefits.

It gives each spouse equal shares of PRSAs and increases widow and widower benefits to 110 percent. Right now if one spouse works and makes good income and the other does not, there are provisions where the lower-income spouse if there is not enough to equal at least 50 percent of the higher-income spouse's Social Security benefits, that 50 percent will be promised as a minimum benefit for that second spouse.

What this does, in terms of the personal retirement savings account, if just one spouse is working, let us say it is the husband and the wife is staying home for the time being with the kids, everything that spouse makes will be divided in half, half going into the name of the stay-at-home mom and half going into the man's name or if the man stays home, just vice versa. It passes the Social Security Administration's 75-year solvency test and protects the trust fund with special lockbox provisions. That is what we did in this Chamber today. The lockbox simply says that we are not going to do what has been done for almost the last 42 years and, that is, when you have a surplus from Social Security, use that money for other government spending. So it is a good start.

What we also did in that legislation today is we said, we are not going to spend any of the Medicare trust fund. Social Security and Medicare are the two big trust funds. There are approximately 116 trust funds of the Federal Government. What we have been doing is we have been, if you will, overcharging those particular people that are paying into those trust funds so that there is a surplus into the trust fund. So when we say in the past year, for example, that there was a surplus, there was no surplus except for the surplus coming into the trust fund.

This next year, in 2002, we will have a surplus over and above the trust funds. And so it seems to me that another, almost a synonym, another definition for surplus is overtaxation, is we are overtaxing somebody, and that is why there is more coming in than we know what to do with. The danger, of course, is that this body finds it to their political advantage, most Members find it to their political advantage to come up with new programs, to take home pork-barrel projects where they get their picture cutting a ribbon on the new library or the new jogging trail or whatever. So the tendency has been over the years to increase spending. That is the challenge: How do we discipline ourselves to hold the line on increased spending?

I am encouraged by what I have seen this new President do in terms of his aggressive enthusiasm to search out and find out where the weaknesses are in Federal spending, to find out where the abuse is, where the fraud is, where the inefficiencies are. It is extremely important we do that. We have got a very inefficient Federal Government. If we divide $1.9 trillion out by every Member of this Congress, it still is such a huge amount of dollars that it is difficult to keep track of.

The Social Security Solvency Act for 2000 takes a portion of the on-budget surpluses over the next 10 years; it uses capital market investments to increase the Social Security rate of return above the 1.8 percent workers are now receiving and over time PRSAs grow and the Social Security fixed benefit is reduced. It indexes future benefit increases to the cost-of-living increases instead of wage growth.

There are only two ways to fix Social Security, either bring in more revenues or you reduce the amount going out. What we are suggesting is one way to bring in more revenues is real investments. It could be a CD at your local bank, or it could be a United States savings bond. Or it could be the kind of investments that are indexed to maximize safety over the long run in those investments. Everybody should start thinking, is there a way that I could invest money better than what the government is doing in terms of what they give me back in Social Security?

Can I get a better rate of return on some of that money that would exceed the 1.1 percent return that we are expecting in the future on Social Security benefits? I think the answer is yes.

Mr. Speaker, I am encouraged and excited about a President that is suggesting that we hold the line on spending, a President that is suggesting that we pay down the debt, a President that is suggesting giving back some of this surplus and letting it stay in the pockets of the people that earned it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ACKERMAN (at the request of Mr. GEPHARDT) for today and February 14 on account of medical reasons.

Mr. BECERRA (at the request of Mr. GEPHARDT) for today on account of business in the district.

Mr. ORTIZ (at the request of Mr. GEPHARDT) for today on account of travel problems.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SCHIFF) to revise and extend their remarks and include extraneous material:)

Mr. UNDERWOOD, for 5 minutes, today.

Mr. SKELTON, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Ms. HOOLEY of Oregon, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. SHOWS, for 5 minutes, today.

Mr. GREEN of Texas, for 5 minutes, today.

(The following Member (at the request of Ms. JACKSON-LEE of Texas) to revise and extend her remarks and include extraneous material:)

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DAVIS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mrs. BIGGERT) to revise and extend their remarks and include extraneous material:)

Mr. GREEN of Wisconsin, for 5 minutes, February 14.

Mrs. BIGGERT, for 5 minutes, today.

Mr. PAUL, for 5 minutes, today.

Mr. BURTON of Indiana, for 5 minutes, today.

Mr. TAUZIN, for 5 minutes, today.

Mr. YOUNG of Alaska, for 5 minutes, today.

(The following Member (at the request of Mr. MCINNIS) to revise and extend his remarks and include extraneous material:)

Mr. STUMP, for 5 minutes, today.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 235. An act to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes; to the Committee on Transportation and Infrastructure, in addition to the Committee on Energy and Commerce for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

ADJOURNMENT

Mr. SMITH of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 58 minutes p.m.), the House adjourned until tomorrow, Wednesday, February 14, 2001, at 10 a.m.

OFFICE OF COMPLIANCE REPORT

As required by the Congressional Accountability Act of 1995, the following report is submitted:

U.S. CONGRESS,
OFFICE OF COMPLIANCE,
Washington, DC, January 24, 2001.

Hon. J. DENNIS HASTERT,
Speaker of the House, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Section 102(b) of the Congressional Accountability Act of 1995 (CAA) mandates a review and report on the applicability to the legislative branch of federal law relating to terms and conditions of employment and access to public services and accommodations.

Pursuant to section 102(b)(2) of the CAA, which provides that the presiding officers of the House of Representatives and the Senate shall cause each such report to be printed in the Congressional Record and each report shall be referred to the committees of the House of Representatives and the Senate with jurisdiction, the Board of Directors of the Office of Compliance is pleased to transmit the enclosed report.

Sincerely yours,

SUSAN S. ROBFOGEL,
Chair of the Board of Directors.

Enclosures.

OFFICE OF COMPLIANCE

Section 102(b) Report: Review and Report on the Applicability to the Legislative Branch of Federal Laws Relating to Terms and Conditions of Employment and Access to Public Services and Public Accommodations. Prepared by the Board of Directors of the Office of Compliance pursuant to section 102(b) of the Congressional Accountability Act of 1995, 2 U.S.C. §1302(b), December 31, 2000.

SECTION 102(B) REPORT

Section 102(a) of the Congressional Accountability Act (CAA) lists the eleven laws that, ''shall apply, as prescribed by this Act, to the legislative branch of the Federal Government.'' [1] Section 102(b) directs the Board of Directors (Board) of the Office of Compliance (Office) to: ''review provisions of Federal law (including regulations) relating to (A) the terms and conditions of employment (including hiring, promotion, demotion, termination, salary, wages, overtime compensation, benefits, work assignments or reassignments, grievance and disciplinary procedures, protection from discrimination in personnel actions, occupational health and safety, and family and medical and other leave) of employees, and (B) access to public services and accommodations.''

And, on the basis of this review, ''[b]eginning on December 31, 1996, and every 2 years thereafter, the board shall report on (A) whether or to what degree the provisions described in paragraph (1) are applicable or inapplicable to the legislative branch, and (B) with respect to provisions inapplicable to the legislative branch, whether such provisions should be made applicable to the legislative branch.''

I. Background

In December of 1996, the Board completed its first biennial report mandated under section 102(b) of the CAA (1996 Section 102(b) Report or 1996 Report).[2] In that Report the Board reviewed and analyzed the universe of federal law relating to labor, employment and public access, made initial recommendations, and set priorities for future reports. To conduct its analysis, the Board organized the provisions of federal law according to the kinds of entities to which they applied, and systematically analyzed whether and to what extent they were already applied to the legislative branch or whether the legislative branch was already covered by other comparable legislation. This analysis generated four comprehensive tables of laws which were categorized as: (1) provisions of law generally applicable in the private sector and/or in state and local government that also are already applicable to entities in the legislative branch, a category which included nine of the laws made applicable by the CAA; (2) provisions of law that apply only in the federal sector, a category which included the two exclusively federal-sector laws applied to the legislative branch by the CAA; (3) private-sector and/or state- and local-government provisions of law that do not apply in the legislative branch, but govern areas in which Congress has already applied to itself other, comparable provisions of law and; (4) private-sector laws which do not apply or have only very limited application in the legislative branch.

The Board then turned to its task of recommending which statutes should be applied to the legislative branch. In light of the large body of statutes that the Board had identified and reviewed, the Board determined that it could not make recommendations concerning every possible change in

[1] The nine private-sector laws made applicable by the CAA are: the Fair Labor Standards Act of 1938 (29 U.S.C. §201 et seq.) (FLSA), Title VII of the Civil Rights Act of 1964 (42 U.S.C. §2000e et seq.) (Title VII), the Americans with Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) (ADA), the Age Discrimination in Employment Act of 1967 (29 U.S.C. §621 et seq.) (ADEA), the Family and Medical Leave Act of 1993 (29 U.S.C. §2611 et seq.) (FMLA), the Occupational Safety and Health Act of 1970 (29 U.S.C. §651 et seq.) (OSHAct), the Employee Polygraph Protection Act of 1988 (29 U.S.C. §2001 et seq.) (EPPA), the Worker Adjustment and Retraining Notification Act (29 U.S.C. §2101 et seq.) (WARN Act), and section 2 of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). The two federal-sector laws made applicable by the CAA are: Chapter 71 of title 5, United States Code (relating to federal service labor-management relations) (Chapter 71), and the Rehabilitation Act of 1973 (29 U.S.C. §701 et seq.). This report uses the term ''CAA laws'' to refer to these eleven laws.

[2] Section 102(b) Report: Review and Report of the Applicability to the Legislative Branch of Federal Law Relating to Terms and Conditions of Employment and Access to Public Services and Accommodations (Dec. 31, 1996).

legislative-branch coverage. In setting its priorities for making recommendations from among the categories of statutes that the Board had identified for analysis and review, the Board sought to mirror the priorities of the CAA. Because legislative history suggested that the highest priority of the CAA was the application of private-sector protections to congressional employees where those employees had little or no protection, the Board focused its recommendations in its first report on applying the private-sector laws not currently applicable to the legislative branch.

The Board also determined in its 1996 Section 102(b) Report that, because of the CAA's focus on coverage of the Congress under private-sector laws, the Board's next priority should be to review the inapplicable provisions of the nine private-sector laws generally made applicable by the CAA. In December 1998 the Board set forth the results of that review in its second biennial report under Section 102(b) of the CAA (1998 Section 102(b) Report or 1998 Report).[3]

The 1998 Section 102(b) Report was divided into three parts. In Part I the Board reviewed laws enacted after the 1996 Section 102(b) Report, resubmitted the recommendations made in its 1996 Report, and made additional recommendations as to laws which should be made applicable to the legislative branch. In Part II the Board analyzed which provisions of the private-sector CAA laws do not apply to the legislative branch and recommended which should be made applicable. In Part III of the 1998 Report, although not required by section 102(b) of the CAA, the Board reviewed coverage of the General Accounting Office (GAO), the Government Printing Office (GPO) and the Library of Congress (the Library) under the laws made applicable by the CAA and made recommendations to Congress with respect to changing that coverage. The Board noted that the study mandated by Section 230 of the CAA which was submitted to Congress in 1996[4] did not include recommendations to Congress with respect to coverage of these three instrumentalities.[5] The Board concluded that the 1998 Section 102(b) Report, which focused on omissions in coverage of the legislative branch under the laws generally made applicable by the CAA, provided the opportunity for the Board to make recommendations to Congress regarding coverage of GAO, GPO and the Library under those laws.[6] As discussed in Section IV.C below, the Board Members identified three principal options for Congress to consider but were divided in their recommendation as to which option was preferable.

In the preparation of this 2000 Section 102(b) Report, the third biennial report issued under section 102(b) of the CAA, the Board has reviewed new statutes or statutory amendments enacted after the Board's 1998 Section 102(b) Report was prepared. The Board has also reviewed the Section 102(b) reports issued in 1996 and 1998 and the analysis and recommendations contained therein.

II. Review of laws enacted after the 1998 section 102(b) report

After reviewing all federal laws and amendments relating to terms and conditions of employment or access to public accommodations and services passed since October 1998, the Board concludes that there are no new provisions of law which should be made applicable to the legislative branch. As in the two previous Section 102(b) reports, the Board excluded from consideration those laws that, although employment-related, (1) are specific to narrow or specialized industries or types of employment not found in the legislative branch (e.g., employment in fire protection activities, or the armed forces); (2) established government programs of research, data collection, advocacy, or training, but do not establish correlative rights and responsibilities for employees and employers (e.g., statutes authorizing health care research); (3) authorize, but do not require, that employers provide benefits to employees, (e.g., so-called ''cafeteria plans''); or (4) are not applicable to public sector employment (e.g., an amendment clarifying the treatment of stock options under the FLSA).

III. 1996 Section 102(b) report

In preparation for the first Section 102(b) Report, as noted earlier, the Board reviewed the entire United States Code to identify laws and associated regulations of general application that relate to terms and conditions of employment or access to public services and accommodations. Noting the underlying priorities of the Act itself, the Board chose to focus its 1996 Report on the identified provisions of law generally applicable in the private sector for which there was no similar coverage in the legislative branch. The Board has reviewed the 1996 Section 102(b) Report and the recommendations contained therein, as well as the additional discussion of those recommendations found in the 1998 Section 102(b) Report.

The Board of Directors again submits the following recommendations which were made in the 1996 Section 102(b) Report and resubmitted in the 1998 Section 102 (b) Report:

''(A) Prohibition against discrimination on the basis of bankruptcy (11 U.S.C. §525). Section 525(a) provides that ''a governmental unit'' may not deny employment to, terminate the employment of, or discriminate with respect to employment against, a person that is or has been a debtor under the bankruptcy statutes. The provision currently does not apply to the legislative branch. For the reasons set forth in the 1996 Section 102(b) Report, the board has determined that the rights and protections against discrimination on this basis should be applied to the legislative branch.

''(B) Prohibition against discharge from employment by reason of garnishment (15 U.S.C. §1674(a)). Section 1674(a) prohibits discharge of any employee because his or her earnings ''have been subject to garnishment for any one indebtedness.'' This section is limited to private employers, so it currently has no application to the legislative branch. For the reason set forth in the 1996 Section 102(b) Report, the Board has determined that the rights and protections against discrimination on this basis should be applied to the legislative branch.

''(C) Prohibition against discrimination on the basis of jury duty (28 U.S.C. §1875). Section 1875 provides that no employer shall discharge, threaten to discharge, intimidate, or coerce any permanent employee by reason of such employee's jury service, or the attendance or scheduled attendance in connection with such service, in any court of the United States. This section currently does not cover legislative-branch employment. For the reason set forth in the 1996 Section 102(b) Report, the Board has determined that the rights and protections against discrimination on this basis should be applied to the legislative branch.

''(D) Titles II and III of the Civil Rights Act of 1964 (42 U.S.C. §§2000a to 2000a–6, 2000b to 2000b–3). These titles prohibit discrimination or segregation on the basis of race, color, religion, or national origin regarding the goods, services, facilities, privileges, advantages, and accommodations of ''any place of public accommodation'' as defined in the Act. Although the CAA incorporated the protections of titles II and III of the ADA, which prohibit discrimination on the basis of disability with respect to access to public services and accommodations, it does not extend protection against discrimination based upon race, color, religion, or national origin with respect to access to such services and accommodations. For the reasons set forth in the 1996 Section 102(b) Report, the Board has determined that the rights and protections afforded by titles II and III of the Civil Rights Act of 1964 against discrimination with respect to places of public accommodation should be applied to the legislative branch.''

IV. 1998 Section 102(b) report

A. Part I of the 1998 report (new laws enacted and certain other inapplicable laws)

In the first part of the 1998 Section 102(b) Report, the Board noted the enactment of two new employment laws and concluded that no further action was needed because substantial provisions of each had been made applicable to the legislative branch. Next, as noted above, the Board discussed and resubmitted the recommendations made in the 1996 Section 102(b) Report. In addition, the Board made three new recommendations, one based upon further review and analysis of statutes discussed in the 1996 Section 102(b) Report and two others based upon experience gained by the Board in the administration and enforcement of the CAA.

The Board of Directors resubmits the three new recommendations made in Part I of the 1998 Section 102(b) Report:

''(1) Employee protection provisions of environmental protection statutes (15 U.S.C. §2622; 33 U.S.C. §1367; 42 U.S.C. §§300J–9(i), 5851, 6971, 7622, 9610). These provisions generally protect an employee from discrimination in employment because the employee commences proceedings under applicable statutes, testifies in any such proceeding, or assists or participates in any way in such a proceeding or in any other action to carry out the purposes of the statutes. For the reasons stated in the 1998 Section 102(b) Report, the Board believes that these provisions are applicable to the legislative branch. However, because it is possible to construe certain of these provisions as inapplicable, the Board has concluded that legislation should be adopted clarifying that the employee protection provisions in the environmental protection statutes apply to all entities within the legislative branch.

''(2) Employee ''whistleblower'' protection. Civil service law[7] provides broad protection to ''whistleblowers'' in the executive branch and at GAO and GPO, but these provisions do not apply otherwise in the legislative

[3] Section 102(b) Report: Review and Report on the Applicability to the Legislative Branch of Federal Law Relating to Terms and Conditions of Employment and Access to Public Services and Accommodations (Dec. 31, 1998).

[4] Section 230 of the CAA mandated a study of the status of the application of the eleven CAA laws to GAO, GPO and the Library to ''evaluate whether the rights, protections and procedures, including administrative and judicial relief, applicable to [these instrumentalities] ... are comprehensive and effective ... includ[ing] recommendations for any improvements in regulations or legislation.'' Originally, the Administrative Conference of the United States was charged with carrying out the study and making recommendations, but when the Conference lost its funding, the responsibility for the study was transferred to the Board.

[5] Section 230 Study: Study of Laws, Regulations, and Procedures at The General Accounting Office, The Government Printing Office and The Library of Congress (December 1996) (Section 230 Study).

[6] The Board also found that resolution of existing uncertainty as to whether GAO, GPO and Library employees alleging violations of sections 204–207 of the CAA may use CAA procedures was an additional reason to include recommendations about coverage.

[7] See, e.g., 5 U.S.C. §2302(b)(8).

branch. Employees subject to these provisions are generally protected against retaliation for having disclosed any information the employee reasonably believes evidences a violation of law or regulation, gross mismanagement or abuse of authority, or substantial danger to public health or safety. The Office has continued to receive a number of inquiries from legislative branch employees concerned about protection against possible retaliation by an employing office for the disclosure of what the employee perceives to be such information. For the reasons set forth in the 1998 Section 102(b) Report, the Board has determined that whistleblower protection comparable to that provided to executive branch employees under 5 U.S.C. §2302(b)(8) should be provided to legislative branch employees.

''(3) Coverage of special-purpose study commissions. Certain special-purpose study commissions that include members appointed by Congress or by officers of Congressional instrumentalities are not expressly listed in section 101(9) of the CAA in the definition of ''employing offices'' covered under the CAA. For the reasons set forth in the 1998 Section 102(b) Report, the Board recommends that Congress specifically state whether the CAA applies to special-purpose study commissions, both when it creates such commissions and for those already in existence.''

B. Part II of the 1998 report (inapplicable private-sector provisions of CAA laws)

In the second part of the 1998 Section 102(b) Report, the Board considered the specific exceptions created by Congress from the nine private-sector laws made applicable by the CAA[8] and made a number of recommendations respecting the application of currently inapplicable provisions, ''focusing on enforcement, the area in which Congress made the most significant departures from the private-sector provisions of the CAA laws''.[9] The Board noted that it intended that those recommendations ''should further a central goal of the CAA to create parity with the private sector so that employers and employees in the legislative branch would experience the benefits and burdens as the rest of the nation's citizens''.[10]

The Board of Directors has reviewed the 1998 Report and resubmits each of the following recommendations made in Part III of the 1998 Section 102(b) Report:

''(1) Authority to investigate and prosecute violations of §207 of the Act, which prohibits intimidation and reprisal. Enforcement authority with respect to intimidation or reprisal is provided to the agencies that administer and enforce the CAA laws[11] in the private sector. For the reasons set forth in the 1998 Report, the Board has concluded that the Congress should grant the Office the same authority to investigate and prosecute allegations of intimidation or reprisal as each implementing Executive Branch agency has in the private sector.

''(2) Authority to seek a restraining order in district court in case of imminent danger to health or safety. Section 215(b) of the CAA provides the remedy for a violation of the substantive provisions of the OSHAct made applicable by the CAA. Among other things, the OSHAct authorizes the Secretary of Labor to seek a temporary restraining order in district court in the case of imminent danger. The General Counsel of the Office, who enforces the OSHAct provisions as made applicable by the CAA, has concluded that Section 215(b) of the CAA gives him the same standing to petition the district court for a temporary restraining order. However, it has been suggested that the language of section 215(b) does not clearly provide that authority. For the reasons set forth in the 1998 Section 102(b) Report, the Board recommends that the CAA be amended to clarify that the General Counsel has the standing to seek a temporary restraining order in federal district court and that the court has jurisdiction to issue the order.

''(3) Record-keeping and notice-posting requirements. For the reasons set forth in the 1998 Section 102(b) Report, the Board has concluded that the Office should be granted the authority to require that records be kept and notices posted in the same manner as required by the agencies that enforce the provisions of law made applicable by the CAA in the private sector.

''(4) Other enforcement authorities. For the reasons set forth in the 1998 Section 102(b) Report, the Board generally recommends that Congress grant the Office the remaining enforcement authorities that executive-branch agencies utilize to administer and enforce the provisions of law made applicable by the CAA in the private sector.''

C. Part III of the 1998 report (options for coverage of the three instrumentalities)

In the third part of the 1998 Report, the Board, building upon its extensive Section 230 Study, exhaustively re-examined the current coverage of GAO, GPO and the Library under the CAA laws, and identified and discussed three principal options for coverage of these instrumentalities:

''(A) CAA Option—Coverage under the CAA, including the authority of the Office of Compliance as it administers and enforces the CAA. (The Board here took as its model the CAA as it would be modified by enactment of the recommendations made in Part II of its 1998 Report.)

''(B) Federal-Sector Option—Coverage under the statutory and regulatory regime that applies generally in the federal sector, including the authority of executive-branch agencies as they administer and enforce the laws in the federal sector.

''(C) Private-Sector Option—Coverage under the statutory and regulatory regimes that apply generally in the private sector, including the authority of the executive-branch agencies as they administer and enforce the laws in the private sector.''

The Board noted that other hybrid models could be developed or, it could ''be possible to leave the ''patchwork'' of coverages and exemptions currently in place at the three instrumentalities and fill serious gaps in coverage on a piecemeal basis.''[12]

The Board compared the three options against the current regimes at GAO, GPO and the Library, as well as against each other, and identified the significant effects of applying each option. The Board unanimously concluded that coverage under the private sector model was not the best of the options. However, the Board was divided as to which of the remaining options should be adopted. Two Board Members recommended that the three instrumentalities be covered under the CAA, with certain modifications, and two other Board Members recommended that the three instrumentalities be made fully subject to the laws and regulations generally applicable in the executive branch of the federal sector.[13]

A review of the analysis, discussion and recommendations contained in the Section 230 Study and Part III of the 1998 Section 102(b) Report demonstrates the complexity of the issues relating to coverage of GAO, GPO and the Library under the CAA laws. The current regime is an exceedingly complicated one, with differences evident both between and among instrumentalities and between and among the eleven CAA laws. Any proposals for changes in existing coverage must not only take into account the existing statutory regime, but also the practical effects of any recommended changes, as well as the mandates of the CAA, including Section 230. Indeed, the degree of the difficulties and challenges encountered in determining how the coverage of the instrumentalities might be modified is evidenced by the fact that after three years of study and experience, the Members of the Board in 1998 were unable to arrive at a consensus on the manner in which the CAA laws should be applied and enforced at GAO, GPO and the Library.

While the current Board Members are mindful of the institutional benefits of providing Congress with a clear recommendation as to coverage of the instrumentalities, the Board is of the view that further study and consideration of the questions presented is warranted in light of the complexity of the issues and the substantial impact that a modification would have on the instrumentalities and their employees.

The Board believes that Congress, and the instrumentalities and their employees, would derive greater benefit from a recommendation based upon further study, consideration and experience on the part of Board Members. Therefore, the Board has determined not to make any recommendations with respect to coverage of GAO, GPO and the Library under the CAA laws at this time.

EXECUTIVE COMMUNICATIONS, ETC.

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

812. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Dimethylpolysiloxane; Tolerance Exemption [OPP–301096; FRL–6762–1] (RIN: 2070–AB78) received February 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

813. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting the Corporation's final rule—Interagency Guidelines Establishing Standards for Safeguarding Customer Information and Rescission of Year 2000 Standards for Safety and Soundness (RIN: 3064–AC39) received February 9, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

814. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Significant New Uses of Certain Chemical Substances; Delay of Effective Date [OPPTS–50638A; FRL–6769–7] (RIN: 2070–AB27) received February 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

815. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international

[8] The private-sector laws made applicable by the CAA are listed in note 1, at page 1, above.

[9] 1998 Section 102(b) Report at 16.

[10] Id. At 17.

[11] The only exception is the WARN Act which has no such authorities.

[12] 1998 Section 102(b) Report at 27.

[13] In December 1998, at the time the 1998 Section 102(b) Report issued, there were four Board members; the fifth Board member's term had expired and a new appointee had not yet been named. Since the issuance of the 1998 Report the terms of the four Board members who participated in that Report have expired. At present, the five-Member Board of Directors is again at its full complement; three Members were appointed in October 1999 and two Members were appointed in May 2000.

agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

816. A letter from the Attorney-Advisor, Financial Management Service, Department of the Treasury, transmitting the Department's final rule—Federal Government Participation in the Automated Clearing House (RIN: 1510–AA81) received February 9, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

817. A letter from the Federal Register Liaison, Office of Thrift Supervision, Department of the Treasury, transmitting the Department's final rule—Supplemental Standards of Ethical Conduct for Employees of the Department of the Treasury (RINs: 1550–AB43, 3209–AA15) received February 2, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

818. A letter from the Acting Director, Office of Personnel Management, transmitting the Office's final rule—Repayment of Student Loans: Delay of Effective Date (RIN: 3206–AJ12) received February 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

819. A letter from the Director, Office of Sustainable Fisheries, NMFS, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Coastal Migratory Pelagic Resources of the Gulf of Mexico and South Atlantic; Closure [Docket No. 991008273–0070–02; I.D. 011801B] received February 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

820. A letter from the Acting Assistant Administrator, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Coastal Zone Management Act Federal Consistency Regulations [Docket No. 990723202–0338–02] (RIN: 0648–AM88) received February 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

821. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule—Water Quality Standards; Establishment of Numeric Criteria for Priority Toxic Pollutants for the State of California; Correction [FRL–6941–1] (RIN: 2040–AC44) received February 8, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

822. A letter from the Chair of the Board of Directors, Office of Compliance, transmitting A Report Required By The Congressional Accountability Act Of 1995; jointly to the Committees on Education and the Workforce and House Administration.

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. REYNOLDS: Committee on Rules. House Resolution 36. Resolution providing for consideration of the bill (H.R. 554) to establish a program, coordinated by the National Transportation Safety Board, of assistance to families of passengers involved in rail passenger accidents (Rept. 107–1). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. MCGOVERN:

H.R. 559. A bill to designate the United States courthouse located at 1 Courthouse Way in Boston, Massachusetts, as the ''John Joseph Moakley United States Courthouse''; to the Committee on Transportation and Infrastructure.

By Mr. ROSS (for himself, Mr. MOORE, Mr. STENHOLM, Mr. SHOWS, Mr. HILL, Mr. CLAY, Mr. SCHIFF, Mr. BISHOP, Mr. CARSON of Oklahoma, Mr. HOLT, Mr. POMEROY, Ms. BERKLEY, Mrs. TAUSCHER, Mr. SPRATT, Mr. MATHESON, Ms. SOLIS, Mr. HOEFFEL, Mrs. DAVIS of California, and Mr. LANGEVIN):

H.R. 560. A bill to establish an off-budget lockbox to strengthen Social Security and Medicare; to the Committee on the Budget, and in addition to the Committees on Rules, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DINGELL:

H.R. 561. A bill to establish the Bipartisan Commission on Election Reform to study and make recommendations on issues affecting the conduct and administration of elections in the United States, and for other purposes; to the Committee on House Administration, and in addition to the Committee on the Judiciary, 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. ABERCROMBIE (for himself and Mrs. MINK of Hawaii):

H.R. 562. A bill to amend the Native Hawaiian Health Care Improvement Act to revise and extend such Act; to the Committee on Energy and Commerce.

By Mr. ABERCROMBIE:

H.R. 563. A bill to amend the Internal Revenue Code of 1986 to restore the deduction for the travel expenses of a taxpayer's spouse who accompanies the taxpayer on business travel; to the Committee on Ways and Means.

By Mr. ABERCROMBIE:

H.R. 564. A bill to amend the Internal Revenue Code of 1986 to increase the amount of the deduction allowed for meal and entertainment expenses associated with the performing arts; to the Committee on Ways and Means.

By Mr. ANDREWS (for himself, Ms. BROWN of Florida, Mr. PALLONE, Mr. TANCREDO, Mr. MENENDEZ, Mr. PASCRELL, and Mr. MICA):

H.R. 565. A bill to prohibit States from imposing restrictions on the operation of motor vehicles providing limousine service between a place in a State and a place in another State, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ANDREWS:

H.R. 566. A bill to amend title XIX of the Social Security Act to require the prorating of Medicaid beneficiary contributions in the case of partial coverage of nursing facility services during a month; to the Committee on Energy and Commerce.

By Mr. ANDREWS:

H.R. 567. A bill to amend title XIX of the Social Security Act to require Medicaid coverage of disabled children, and individuals who became disabled as children, without regard to income or assets; to the Committee on Energy and Commerce.

By Mr. ANDREWS:

H.R. 568. A bill to assure equitable treatment of fertility and impotence in health care coverage under group health plans, health insurance coverage, and health plans under the Federal employees' health benefits program; to the Committee on Energy and Commerce, and in addition to the Committees on Education and the Workforce, and Government Reform, 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. ANDREWS:

H.R. 569. A bill to amend the Social Security Act to waive the 24-month waiting period for Medicare coverage of certain disabled individuals who have no health insurance coverage; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. BIGGERT (for herself, Mr. WICKER, Mr. THOMAS M. Davis of Virginia, Mr. FRANK, and Mrs. JOHNSON of Connecticut):

H.R. 570. A bill to repeal the requirement relating to specific statutory authorization for increases in judicial salaries, to provide for automatic annual increases for judicial salaries, to provide for a 9.6 percent increase in judicial salaries, and for other purposes; to the Committee on the Judiciary.

By Mr. BILIRAKIS:

H.R. 571. A bill to amend title 49, United States Code, relating to explanations by air carriers of flight delays, cancellations, and diversions; to the Committee on Transportation and Infrastructure.

By Mr. BILIRAKIS (for himself, Mr. FOLEY, Mr. MCHUGH, Mr. BALDACCI, Mrs. MORELLA, Mr. LANTOS, Mrs. MINK of Hawaii, Mrs. THURMAN, Mr. WEXLER, Mr. FROST, Mr. PALLONE, and Mr. BONIOR):

H.R. 572. A bill to amend title 5, United States Code, to provide that the Civil Service Retirement and Disability Fund be excluded from the budget of the United States Government; to the Committee on the Budget, and in addition to the Committee on Government Reform, 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 Mrs. CAPPS:

H.R. 573. A bill to provide grants to State educational agencies and local educational agencies for the provision of classroom-related technology training for elementary and secondary school teachers; to the Committee on Education and the Workforce.

By Mrs. CHRISTENSEN:

H.R. 574. A bill to modify labeling and advertising requirements for watches; to the Committee on Energy and Commerce.

By Mrs. CHRISTENSEN:

H.R. 575. A bill to amend the Harmonized Tariff Schedule of the United States with respect to the production incentive certificate program for watch and jewelry producers in the United States Virgin Islands, Guam, and American Samoa; to the Committee on Ways and Means.

By Mr. DICKS (for himself, Mr. SKELTON, Mr. SISISKY, Mr. FROST, Mr. EDWARDS, and Mrs. TAUSCHER):

H.R. 576. A bill to make emergency supplemental appropriations for fiscal year 2001 for the Department of Defense; to the Committee on Appropriations.

By Mr. DUNCAN:

H.R. 577. A bill to require any organization that is established for the purpose of raising funds for the creation of a Presidential archival depository to disclose the sources and

amounts of any funds raised; to the Committee on Government Reform.

By Mrs. EMERSON:

H.R. 578. A bill to amend the Internal Revenue Code of 1986 to allow penalty-free distributions from qualified retirement plans on account of the death or disability of the participant's spouse; to the Committee on Ways and Means.

By Mr. ENGEL (for himself, Mr. THOMAS M. Davis of Virginia, Mrs. MCCARTHY of New York, Mr. WEINER, Mr. SANDERS, Mr. MCNULTY, Mr. OWENS, Mr. RUSH, Mrs. MORELLA, Mr. HILLIARD, Mrs. CHRISTENSEN, Mrs. JONES of Ohio, Mr. EVANS, and Mr. MORAN of Virginia):

H.R. 579. A bill to amend chapter 89 of title 5, United States Code, to make available to Federal employees the option of obtaining health benefits coverage for dependent parents; to the Committee on Government Reform.

By Mr. GREEN of Texas:

H.R. 580. A bill to amend title XXVII of the Public Health Service Act and title I of the Employee Retirement Income Security Act of 1974 to require that group and individual health insurance coverage and group health plans provide comprehensive coverage for childhood immunization; to the Committee on Energy and Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HEFLEY (for himself, Mr. UDALL of Colorado, and Mr. UDALL of New Mexico):

H.R. 581. A bill to authorize the Secretary of the Interior and the Secretary of Agriculture to use funds appropriated for wildland fire management in the Department of the Interior and Related Agencies Appropriations Act, 2001, to reimburse the United States Fish and Wildlife Service and the National Marine Fisheries Service to facilitate the interagency cooperation required under the Endangered Species Act of 1973 in connection with wildland fire management; to the Committee on Resources.

By Mr. HERGER (for himself, Mr. MATSUI, Mrs. JOHNSON of Connecticut, Mr. FOLEY, Mr. MALONEY of Connecticut, Mr. ROYCE, and Mr. ANDREWS):

H.R. 582. A bill to amend the Internal Revenue Code of 1986 to clarify the definition of contribution in aid of construction; to the Committee on Ways and Means.

By Mr. HUTCHINSON (for himself, Mr. MORAN of Virginia, Mr. BRADY of Texas, Ms. GRANGER, Mr. GREENWOOD, Mr. LUCAS of Oklahoma, and Mr. RILEY):

H.R. 583. A bill to establish the Commission for the Comprehensive Study of Privacy Protection; to the Committee on Government Reform.

By Mr. KLECZKA:

H.R. 584. A bill prohibiting the manufacture, sale, delivery, or importation of school buses that do not have seat belts; to the Committee on Energy and Commerce.

By Mr. LARSEN of Washington:

H.R. 585. A bill to amend the Internal Revenue Code of 1986 to increase to $10,000,000 the maximum estate tax deduction for family-owned business interests; to the Committee on Ways and Means.

By Mr. LEWIS of Kentucky (for himself, Mrs. JOHNSON of Connecticut, Mr. RAMSTAD, Mr. PITTS, Mr. WATKINS, Mr. ENGLISH, Mr. WATTS of Oklahoma, Mr. LARSON of Connecticut, Mr. CLYBURN, Mrs. MINK of Hawaii, Mr. PASCRELL, Mr. RYUN of Kansas, Mr. MOORE, Mr. MCINNIS, Mr. DAVIS of Illinois, Mr. CAMP, Mr. BOUCHER, Mr. BISHOP, Mr. SESSIONS, Mr. TERRY, Mr. SUNUNU, and Mr. PAUL):

H.R. 586. A bill to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualified placement agencies, and for other purposes; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 587. A bill to amend title 10, United States Code, to prescribe alternative payment mechanisms for the payment of annual enrollment fees under the TRICARE program of the military health care system; to the Committee on Armed Services.

By Mrs. MINK of Hawaii:

H.R. 588. A bill to provide authorities to, and impose requirements on, the Secretary of Defense in order to facilitate State enforcement of State tax, employment, and licensing laws against Federal construction contractors; to the Committee on Armed Services.

By Mrs. MINK of Hawaii:

H.R. 589. A bill to provide for the full funding of the Pell Grant Program; to the Committee on Education and the Workforce.

By Mrs. MINK of Hawaii:

H.R. 590. A bill to amend the Public Health Service Act to provide for a three-year schedule to double, relative to fiscal year 1999, the amount appropriated for the National Eye Institute; to the Committee on Energy and Commerce.

By Mrs. MINK of Hawaii:

H.R. 591. A bill to direct the Secretary of the Interior to study the suitability and feasibility of including certain lands along the southeastern coast of Maui, Hawaii, in the National Park System; to the Committee on Resources.

By Mrs. MINK of Hawaii:

H.R. 592. A bill to amend the Internal Revenue Code of 1986 to provide that an individual who leaves employment because of sexual harassment or loss of child care will, for purposes of determining such individual's eligibility for unemployment compensation, be treated as having left such employment for good cause; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii:

H.R. 593. A bill to amend the Internal Revenue Code of 1986 to treat a portion of welfare benefits which are contingent on employment as earned income for purposes of the earned income credit, and for other purposes; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii (for herself, Mr. FILNER, Mr. ABERCROMBIE, Mrs. MEEK of Florida, Ms. JACKSON-LEE of Texas, Ms. WOOLSEY, Mr. RODRIGUEZ, Mr. MEEHAN, Mr. FROST, Mr. FRANK, Mr. WYNN, Ms. ROYBAL-ALLARD, Mr. BECERRA, Mr. KILDEE, Mr. GUTIERREZ, Mr. GEORGE MILLER of California, Mr. SANDERS, Mr. STARK, and Mr. LANTOS):

H.R. 594. A bill to amend the Social Security Act to further extend health care coverage under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MORELLA (for herself, Ms. BERKLEY, Mr. FROST, Mr. KENNEDY of Rhode Island, Mr. WAXMAN, Mr. MCNULTY, Mr. CAPUANO, and Mr. BALDACCI):

H.R. 595. A bill to amend title XVIII of the Social Security Act to expand coverage of bone mass measurements under part B of the Medicare Program to all individuals at clinical risk for osteoporosis; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NEAL of Massachusetts:

H.R. 596. A bill to amend the Internal Revenue Code of 1986 to allow personal exemptions for individuals against the alternative minimum tax; to the Committee on Ways and Means.

By Mr. PALLONE:

H.R. 597. A bill to amend title 23, United States Code, relating to the use of safety belts and child restraint systems by children, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. REYNOLDS (for himself and Mr. CANTOR):

H.R. 598. A bill to take certain steps toward recognition by the United States of Jerusalem as the capital of Israel; to the Committee on International Relations.

By Mrs. ROUKEMA:

H.R. 599. A bill to amend title XVIII of the Social Security Act to eliminate discriminatory copayment rates for outpatient psychiatric services under the Medicare Program; to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SESSIONS (for himself, Mr. WAXMAN, Mr. UPTON, Mr. BARRETT, Mr. BILIRAKIS, Mr. DINGELL, Mr. DREIER, Mr. BROWN of Ohio, Ms. PRYCE of Ohio, Mr. STRICKLAND, Mrs. ROUKEMA, Mr. BALDACCI, Mr. ISAKSON, Mr. DOGGETT, Mr. GILCHREST, Mr. MOORE, Mrs. MYRICK, Mr. OBERSTAR, Mr. REYNOLDS, Mr. HINCHEY, Mr. DEFAZIO, Mr. KENNEDY of Rhode Island, Mr. SANDERS, Ms. KAPTUR, Mrs. JOHNSON of Connecticut, Mr. TOWNS, Mr. STARK, Ms. ESHOO, Ms. BALDWIN, Mr. GALLEGLY, Mr. ABERCROMBIE, Mr. SNYDER, Ms. SCHAKOWSKY, Mr. SHIMKUS, Mr. SCOTT, Mr. PALLONE, Mr. STUPAK, Mr. MARKEY, Mr. WYNN, Mrs. CAPPS, Mr. HALL of Ohio, Mr. KIND, Mr. MATSUI, Mr. GEORGE MILLER of California, Mr. MORAN of Virginia, Mrs. MCCARTHY of New York, Mr. PAYNE, Mr. UDALL of New Mexico, Mr. WATT of North Carolina, Mr. ENGEL, Mr. NADLER, Ms. LEE, Ms. BERKLEY, Mr. MURTHA, Mr. RUSH, Mrs. JONES of Ohio, Mr. KUCINICH, Mr. MCNULTY, Ms. DEGETTE, Mr. BOUCHER, Mr. GREEN of Texas, Mr. BECERRA, Mr. ALLEN, Ms. RIVERS, Mrs. LOWEY, Mr. SHAYS, Mr. WELDON of Florida, Mr. OXLEY, Mr. PICKERING, Mr. WHITFIELD, Mr. LAHOOD, Mr. HAYWORTH, Mr. FLETCHER, Mr. SWEENEY, Mr. SHADEGG, Mr. TAUZIN, Mr. GILMAN, Mr. NETHERCUTT, Mr. MORAN of Kansas, Mr. BRADY of Texas, Mr. DEUTSCH, Ms. CAPITO, Mr. WELLER, Mr. SCHAFFER, Mr. NUSSLE, and Mr. PAUL):

H.R. 600. A bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the Medicaid Program for such children, and for other purposes; to the Committee on Energy and Commerce.

By Mr. SIMPSON:

H.R. 601. A bill to ensure the continued access of hunters to those Federal lands included within the boundaries of the Craters

of the Moon National Monument in the State of Idaho pursuant to Presidential Proclamation 7373 of November 9, 2000, and to continue the applicability of the Taylor Grazing Act to the disposition of grazing fees arising from the use of such lands, and for other purposes; to the Committee on Resources.

By Ms. SLAUGHTER (for herself, Mrs. MORELLA, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALLEN, Mr. BALDACCI, Ms. BALDWIN, Mr. BENTSEN, Ms. BERKLEY, Mr. BERMAN, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BONIOR, Mr. BORSKI, Mr. BOUCHER, Mr. BOYD, Mr. BRADY of Pennsylvania, Mr. BURTON of Indiana, Mr. CALVERT, Mrs. CAPPS, Mr. CAPUANO, Mr. CARDIN, Ms. CARSON of Indiana, Mrs. CHRISTENSEN, Mr. COSTELLO, Mr. COYNE, Mr. CRAMER, Mr. DAVIS of Illinois, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DICKS, Mr. DOYLE, Mr. DUNCAN, Mr. EDWARDS, Ms. ESHOO, Mr. ETHERIDGE, Mr. EVANS, Mr. FARR of California, Mr. FATTAH, Mr. FILNER, Mr. FORD, Mr. FRANK, Mr. FRELINGHUYSEN, Mr. FROST, Mr. GALLEGLY, Mr. GEPHARDT, Mr. GILCHREST, Mr. GILMAN, Mr. GREEN of Texas, Mr. HALL of Ohio, Mr. HILLIARD, Mr. HINCHEY, Mr. HOEFFEL, Mr. HOLDEN, Mr. HOLT, Ms. HOOLEY of Oregon, Mr. HORN, Mr. INSLEE, Mr. JEFFERSON, Mrs. JONES of Ohio, Mr. KANJORSKI, Ms. KAPTUR, Mrs. KELLY, Mr. KILDEE, Ms. KILPATRICK, Mr. KING, Mr. KLECZKA, Mr. KOLBE, Mr. KUCINICH, Mr. LAMPSON, Mr. LANTOS, Mr. LARSON of Connecticut, Ms. LEE, Mr. LEVIN, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mrs. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Ms. MCCOLLUM, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCHUGH, Mr. MCNULTY, Mrs. MALONEY of New York, Mr. MALONEY of Connecticut, Mr. MARKEY, Mr. MASCARA, Mr. MATSUI, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MEEKS of New York, Mr. MENENDEZ, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MOORE, Mr. MORAN of Virginia, Mr. MURTHA, Mr. NADLER, Mrs. NAPOLITANO, Mr. NEY, Ms. NORTON, Mr. OBERSTAR, Mr. OBEY, Mr. OLVER, Mr. PALLONE, Mr. PASCRELL, Mr. PAYNE, Ms. PELOSI, Mr. PHELPS, Mr. PRICE of North Carolina, Mr. RANGEL, Mr. REYES, Ms. RIVERS, Ms. ROS-LEHTINEN, Mrs. ROUKEMA, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SANDERS, Mr. SANDLIN, Ms. SCHAKOWSKY, Mr. SCOTT, Mr. SERRANO, Mr. SHERMAN, Mr. SISISKY, Mr. SKELTON, Mr. SMITH of Washington, Mr. SNYDER, Mr. SPRATT, Mr. STARK, Mr. STENHOLM, Mr. STRICKLAND, Mr. STUPAK, Mrs. TAUSCHER, Mr. THOMPSON of Mississippi, Mrs. THURMAN, Mr. TIERNEY, Mr. TRAFICANT, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mr. VISCLOSKY, Mr. WALSH, Ms. WATERS, Mr. WAXMAN, Mr. WEINER, Mr. WEXLER, Mr. WOLF, and Ms. WOOLSEY):

H.R. 602. A bill to prohibit discrimination on the basis of genetic information with respect to health insurance; to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TANCREDO:

H.R. 603. A bill to suspend temporarily the duty on Fructooligosaccharides (FOS); to the Committee on Ways and Means.

By Mrs. THURMAN (for herself, Mr. STUPAK, and Mr. ENGLISH):

H.R. 604. A bill to amend the Hazardous Substances Act to require safety labels for certain Internet-advertised toys and games; to the Committee on Energy and Commerce.

By Mr. WEINER:

H.R. 605. A bill to amend the Truth in Lending Act to require a store in which a consumer may apply to open a credit or charge card account to display a sign, at each location where the application may be made, containing the same information required by such Act to be prominently placed in a tabular format on the application; to the Committee on Financial Services.

By Mr. WEXLER (for himself, Mr. GILMAN, Mr. CROWLEY, and Mr. CANTOR):

H.R. 606. A bill to direct the Secretaries of the military departments to conduct a review of military service records to dertermine whether certain Jewish American war veterans, including those previously awarded the Distiniguished Service Cross, Navy Cross, or Air Force Cross, should be awared the Medal of Honor; to the Committee on Armed Services.

By Mr. DOOLITTLE:

H.J. Res. 16. A joint resolution proposing an amendment to the Constitution of the United States establishing English as the official language of the United States; to the Committee on the Judiciary.

By Mr. ENGEL:

H.J. Res. 17. A joint resolution proposing an amendment to the Constitution of the United States to provide a new procedure for appointment of Electors for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. ENGEL:

H.J. Res. 18. A joint resolution proposing an amendment to the Constitution of the United States to provide a new procedure for appointment of Electors for the election of the President and Vice President; to the Committee on the Judiciary.

By Mr. SAM JOHNSON of Texas (for himself, Mr. REGULA, and Mr. MATSUI):

H.J. Res. 19. A joint resolution providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the SMITHsonian Institution; to the Committee on House Administration.

By Mrs. MORELLA (for herself and Mr. UDALL of Colorado):

H. Con. Res. 27. Concurrent resolution honoring the National Institute of Standards and Technology and its employees for 100 years of service to the Nation; to the Committee on Science.

By Mr. PORTMAN:

H. Con. Res. 28. Concurrent resolution providing for a joint session of Congress to receive a message from the President; considered and agreed to.

By Mr. ENGEL (for himself and Ms. ROS-LEHTINEN):

H. Con. Res. 29. Concurrent resolution expressing the sense of the Congress regarding the conviction of ten members of Iran's Jewish community; to the Committee on International Relations.

By Mr. TANCREDO (for himself, Ms. DUNN, Mr. CANTOR, Mr. ACKERMAN, Mr. ENGLISH, Mr. RAMSTAD, Mr. MCNULTY, Mr. CALVERT, Ms. ROS-LEHTINEN, Mr. STEARNS, Mr. LAHOOD, Mr. OTTER, Ms. BERKLEY, Mr. ROSS, Mr. BARTON of Texas, and Mr. BERMAN):

H. Con. Res. 30. Concurrent resolution expressing the sense of Congress with respect to relocating the United States Embassy in Israel to Jerusalem; to the Committee on International Relations.

By Mrs. THURMAN (for herself, Ms. ROYBAL-ALLARD, Mr. ABERCROMBIE, Mr. KILDEE, Mr. SPRATT, Ms. BALDWIN, Mr. KLECZKA, Ms. ESHOO, Mr. BARRETT, Mr. FOLEY, Mr. RAMSTAD, Mr. MALONEY of Connecticut, Mr. LATOURETTE, Mr. DUNCAN, Mr. HINCHEY, Ms. HOOLEY of Oregon, Mr. MOAKLEY, Mr. SHAYS, Mr. SNYDER, Mr. TANNER, Mr. STARK, Mr. HILLIARD, Mrs. NORTHUP, Mr. CAPUANO, Mr. COYNE, Mr. MATSUI, Mr. GIBBONS, Mr. PETERSON of Pennsylvania, Mr. ROGERS of Michigan, Mr. SESSIONS, Mr. MCDERMOTT, Mrs. JONES of Ohio, Mrs. MORELLA, Mr. UPTON, and Mr. PASCRELL):

H. Con. Res. 31. Concurrent resolution expressing the sense of the Congress regarding the importance of organ, tissue, bone marrow, and blood donation and supporting National Donor Day; to the Committee on Energy and Commerce.

By Mr. REYNOLDS:

H. Res. 36. A resolution providing for consideration of the bill (H.R. 554) to establish a program, coordinated by the National Transportation Safety Board, of assistance to families of passengers involved in rail passenger accidents; considered and agreed to.

By Mr. FROST:

H. Res. 37. A resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Mr. HEFLEY:

H. Res. 38. A resolution providing amounts for the expenses of the Committee on Standards of Official Conduct in the One Hundred Seventh Congress; to the Committee on House Administration.

By Mr. THOMAS:

H. Res. 39. A resolution providing amounts for the expenses of the Committee on Ways and Means in the One Hundred Seventh Congress; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. ENGLISH introduced A bill (H.R. 607) for the relief of Mrs. Florence Narusewicz of Erie, Pennsylvania; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. LOBIONDO, Mrs. KELLY, Mrs. CUBIN, Mr. CAMP, Mr. THOMAS M. DAVIS of Virginia, Mr. SAM JOHNSON of Texas, Mr. NEY, Mr. MCINNIS, Mrs. BONO, Mr. DUNCAN, Mr. HAYWORTH, Mr. RYAN of Wisconsin, Mr. KERNS, Mr. SUNUNU, Mr. DEMINT, Mr. GREEN of Wisconsin, Mr. FERGUSON, Mr. GALLEGLY, Mr. GRUCCI, and Mr. SCARBOROUGH.

H.R. 15: Mr. GOSS, Mr. EHRLICH, Mr. TOOMEY, and Mr. KING.

H.R. 28: Mrs. KELLY, Mr. SHIMKUS, Mr. GILMAN, Mr. MATSUI, Mr. BOUCHER, Mr. HUTCHINSON, Mr. DAVIS of Illinois, Mr. DEUTSCH, Mr. PRICE of North Carolina, Mr. HONDA, Mr. CUMMINGS, Mr. CLEMENT, Mr. RUSH, Mr. GRUCCI, Mr. LANGEVIN, and Mr. BARRETT.

H.R. 41: Mr. NEAL of Massachusetts, Mr. ROEMER, Mr. MCDERMOTT, Mr. SIMMONS, Mr. KINGSTON, Mr. FRELINGHUYSEN, Mrs. THURMAN, Mr. KOLBE, Mr. GOODLATTE, and Mr. NETHERCUTT.

H.R. 65: Mr. TANCREDO, Mr. HALL of Ohio, Mr. PUTNAM, Mr. FROST, Mr. MCINTYRE, Mr. DEFAZIO, Mr. ENGLISH, Mr. HUTCHINSON, Mr. STRICKLAND, Mrs. THURMAN, Mr. SIMMONS, and Mr. KILDEE.

H.R. 68: Mr. HALL of Ohio, Mr. BACHUS, Mr. SHERMAN, Mr. EHRLICH, and Mr. STARK.

H.R. 79: Mr. GOODLATTE.

H.R. 81: Mr. FILNER.

H.R. 85: Mrs. MYRICK, Mr. BOUCHER, Mrs. EMERSON, Mr. BALDACCI, and Mr. RYAN of Wisconsin.

H.R. 134: Mrs. CHRISTENSEN, Mr. FILNER, Mr. FROST, Mrs. JONES of Ohio, Mr. KILDEE, and Mr. SANDERS.

H.R. 143: Mr. LATOURETTE, Mr. DINGELL, Mr. ENGLISH, Mr. JACKSON of Illinois, Mr. LAFALCE, Mr. GUTKNECHT, Ms. KAPTUR, Ms. KILPATRICK, Mr. KILDEE, Mr. EHLERS, Mr. KLECZKA, Ms. RIVERS, Mr. KIND, Mr. LIPINSKI, Mr. RUSH, and Mr. PETERSON of Minnesota.

H.R. 162: Mr. KENNEDY of Rhode Island, Ms. MCKINNEY, and Mrs. JONES of Ohio.

H.R. 168: Mr. WAMP.

H.R. 179: Mr. BERRY, Mr. BRYANT, Mr. CHAMBLISS, Mr. CUMMINGS, Ms. DEGETTE, Mr. FORD, Mr. INSLEE, Mr. ISSA, Mr. JONES of North Carolina, Mr. KELLER, Mr. KINGSTON, Mrs. MEEK of Florida, Mrs. MORELLA, Ms. PELOSI, Mr. SMITH of New Jersey, Mr. SOUDER, Mr. TANCREDO, Mr. TIERNEY, Mr. WALDEN of Oregon, and Mr. WU.

H.R. 184: Ms. MILLENDER-MCDONALD and Mr. PAYNE.

H.R. 185: Mr. GILMAN, Mr. SABO, Mr. PAYNE, Ms. CARSON of Indiana, and Mr. CUMMINGS.

H.R. 187: Mr. ENGLISH and Mr. LEACH.

H.R. 188: Ms. BALDWIN, Mr. SHOWS, Mr. PETERSON of Minnesota, and Mr. BEREUTER.

H.R. 189: Mr. DOOLITTLE, Mr. RILEY, Mr. GOSS, and Mr. DEAL of Georgia.

H.R. 190: Mr. DEAL of Georgia.

H.R. 191: Mr. DOOLITTLE and Mr. SCHAFFER.

H.R. 200: Mr. TERRY.

H.R. 245: Mr. OLVER, Mr. RUSH, Mr. TOWNS, and Mr. GORDON.

H.R. 248: Mr. ROGERS of Michigan and Mr. PAUL.

H.R. 249: Mr. PAUL.

H.R. 250: Mr. PASCRELL, Mr. CRAMER, Mr. BORSKI, Ms. WOOLSEY, Mr. UDALL of Colorado, Mrs. CHRISTENSEN, Mr. OLVER, Mr. FLETCHER, Mr. OWENS, Mr. BONIOR, Mr. PALLONE, Mr. BEREUTER, Mr. MEEHAN, Mr. DOYLE, Mr. MOLLOHAN, and Mr. MASCARA.

H.R. 256: Ms. BALDWIN, Mr. SHOWS, Mr. DICKS, Mr. PETERSON of Minnesota, Mrs. EMERSON, Mr. SANDERS, Mr. HOLDEN, Mr. DINGELL, Mr. ETHERIDGE, Mr. WATKINS, Mr. RILEY, and Mr. MCHUGH.

H.R. 257: Mr. SOUDER.

H.R. 267: Mr. TOWNS, Ms. PRYCE of Ohio, Mr. RYUN of Kansas, Mr. WELDON of Pennsylvania, Ms. MILLENDER-MCDONALD, and Mr. REYES.

H.R. 278: Mr. MCGOVERN.

H.R. 279: Mr. HALL of Ohio.

H.R. 294: Mrs. THURMAN, Mr. FLAKE, and Mr. PAUL.

H.R. 301: Mr. ROSS.

H.R. 302: Mr. ROSS.

H.R. 303: Mr. TANCREDO, Mr. PETERSON of Minnesota, Mr. NEAL of Massachusetts, Mr. HALL of Ohio, Mr. BORSKI, Mr. FROST, Mr. POMEROY, Mr. MCINTYRE, Mr. LAHOOD, Mr. WATKINS, Mr. BONILLA, Mr. DOYLE, Mr. PASTOR, Mr. DEFAZIO, Mr. PAYNE, Mr. BARTON of Texas, Mr. ENGLISH, Mr. COSTELLO, Mrs. CAPPS, Mr. BAKER, Ms. WOOLSEY, Mr. HAYES, Mr. SENSENBRENNER, Mr. GUTKNECHT, Mr. BALDACCI, Mr. HOLDEN, Mr. MOLLOHAN, Mr. HUTCHINSON, Mr. LEWIS of Georgia, Ms. HART, Ms. DEGETTE, Mrs. MINK of Hawaii, Mr. EDWARDS, Mr. LUCAS of Oklahoma, Mr. DELAHUNT, Mr. STRICKLAND, Mrs. THURMAN, Mr. MOORE, Mr. BONIOR, Mr. ROGERS of Michigan, Mr. PASCRELL, Mr. MORAN of Virginia, Mr. TOWNS, Mr. SIMMONS, Mr. KILDEE, Mrs. JO ANN DAVIS of Virginia, Mr. UNDERWOOD, Mrs. TAUSCHER, Mr. ACKERMAN, Mr. GANSKE, Mr. LUCAS of Kentucky, Mr. TERRY, Mr. KELLER, and Mr. RODRIGUEZ.

H.R. 311: Mr. HUTCHINSON, Mr. QUINN and Mr. MCKEON.

H.R. 320: Mr. CLAY.

H.R. 322: Mr. EDWARDS and Mr. THUNE.

H.R. 326: Mr. THOMPSON of Mississippi, Mr. PAYNE, Ms. MCCOLLUM, Mr. NADLER, Mr. FATTAH, and Mr. KUCINICH.

H.R. 330: Mr. CANTOR and Mr. AKIN.

H.R. 340: Ms. MCCARTHY of Missouri, Mr. ACKERMAN, Mr. BLAGOJEVICH, Mr. OBERSTAR, Mr. HOLDEN, Ms. ESHOO and Ms. BERKLEY.

H.R. 356: Mr. COSTELLO and Mr. OTTER.

H.R. 380: Mr. HALL of Ohio.

H.R. 419: Ms. LOFGREN, Mr. EVANS, Mr. BLAGOJEVICH, and Ms. BERKLEY.

H.R. 429: Mr. PAYNE, Mr. ENGEL, Ms. MILLENDER-MCDONALD, Mr. RODRIGUEZ, Ms. BERKLEY, Mr. GREENWOOD, Mr. BALDACCI, and Mr. MCNULTY.

H.R. 436: Mr. GREENWOOD, Mr. DOOLITTLE, Mr. SESSIONS, Mr. PAUL, Mrs. EMERSON, and Mrs. JOHNSON of Connecticut.

H.R. 437: Mr. ARMEY, Mr. CRANE, Mr. SAM JOHNSON of Texas, and Mr. PAUL.

H.R. 438: Mr. THORNBERRY.

H.R. 457: Mr. HOLDEN, Mr. MCGOVERN, Mr. STARK, Mr. BARCIA, and Mr. BISHOP.

H.R. 466: Mr. COSTELLO.

H.R. 476: Mrs. MYRICK, Mr. ARMEY, Mr. GARY MILLER of California, Mr. AKIN, Mr. PENCE, Mr. LUCAS of Kentucky, Mr. CHAMBLISS, Mr. LARGENT, Mr. LIPINSKI, Mr. COSTELLO, Mr. LAHOOD, and Mr. HULSHOF.

H.R. 478: Mr. ROSS, Mr. BISHOP, and Mr. HINOJOSA.

H.R. 481: Mr. MCGOVERN, Mr. CAPUANO, Mr. EVANS, Mr. LANGEVIN, and Mr. CUMMINGS.

H.R. 482: Mr. SHIMKUS and Mr. PICKERING.

H.R. 488: Mr. WALSH, Ms. BERKLEY, Mr. NADLER, Mr. CLAY, and Mr. PAYNE.

H.R. 503: Mr. WATKINS, Mr. HUNTER, Mr. AKIN, Mr. HOSTETTLER, Mr. MICA, Mr. CAMP, Mrs. MYRICK, Mr. REYNOLDS, Mr. LUCAS of Kentucky, Mr. BUYER, Mr. TERRY, Mr. HAYES, Mr. BURR of North Carolina, Mr. SMITH of Texas, Mr. BRYANT, and Mr. BAKER.

H.R. 516: Mrs. NORTHUP, Mr. OXLEY, Mr. OTTER, Mrs. MYRICK, Mr. CANTOR, Mr. SCHROCK, and Mr. PUTNAM.

H.R. 524: Mr. FERGUSON, Mr. DOYLE, Mr. BAIRD, Mr. COSTELLO, and Mrs. MORELLA.

H.R. 528: Mrs. MALONEY of New York.

H.R. 548: Mrs. CHRISTENSEN, Mr. LAHOOD, Ms. HART, Ms. DUNN, Mr. BONIOR, and Mr. KILDEE.

H.J. Res. 8: Mr. HEFLEY, Mr. KERNS, and Mr. DEFAZIO.

H.J. Res. 12: Mr. SHIMKUS.

H.J. Res. 13: Mr. BALDACCI, Mrs. LOWEY, and Mr. BERMAN.

H. Con. Res. 17: Mrs. THURMAN and Ms. BERKLEY.

H. Con. Res. 20: Mr. TAYLOR of Mississippi, Ms. MCCARTHY of Missouri, Mrs. MYRICK, Mrs. CHRISTENSEN, Mr. ROSS, and Mr. FLETCHER.

H. Res. 13: Mrs. BIGGERT, Mr. HORN, and Mr. SCHROCK.

H. Res. 15: Mr. SHIMKUS, Mr. TAYLOR of Mississippi, and Mr. SMITH of New Jersey.

H. Res. 23: Mr. ROSS, Mr. THOMPSON of California, Mr. CRAMER, and Mr. KILDEE.

H. Res. 34: Mr. ARMEY, Mr. GEPHARDT, Mr. DELAY, Mr. DIAZ-BALART, Mr. WATKINS, Mr. HOLT, Mr. MILLER of Florida, Mr. ISRAEL, Mr. LEWIS of California, Mr. BENTSEN, Mr. KIRK, Mr. FALEOMAVAEGA, Mr. RILEY, Mr. PUTNAM, Ms. HARMAN, Mrs. LOWEY, Mr. ETHERIDGE, Mrs. JO ANN DAVIS of Virginia, Mr. KERNS, Mr. WATTS of Oklahoma, Mr. BROWN of South Carolina, Mr. FERGUSON, Mr. PLATTS, Mr. TOWNS, Mr. MATSUI, Mr. MCNULTY, Mr. ROTHMAN, Mr. BURTON of Indiana, Mr. SHIMKUS, Mr. BERMAN, Mr. WEINER, Mr. HASTINGS of Florida, Mr. HOEFFEL, Mr. KINGSTON, Mr. SHERMAN, Mr. CARDIN, Mr. CROWLEY, Mr. WAXMAN, Mr. KING, Mr. WEXLER, Mr. CHAMBLISS, Ms. JACKSON-LEE of Texas, Mr. MALONEY of Connecticut, Mrs. NAPOLITANO, Mr. LANGEVIN, Ms. HART, Ms. LEE, Mr. SHAYS, Mr. REYNOLDS, Mr. DEUTSCH, Ms. SCHAKOWSKY, Mr. NADLER, Mr. ENGEL, Mr. SESSIONS, Mr. HOYER, Mrs. MORELLA, Mr. BLUNT, Mr. HORN, Mr. SISISKY, Mr. SCHROCK, Mr. SAXTON, Mr. CULBERSON, Mr. SCHIFF, Mr. PENCE, Mr. CRENSHAW, Mr. FOSSELLA, Mr. TIBERI, Mr. GOSS, Mr. BONILLA, Mr. REGULA, Mr. WELDON of Florida, Mr. OSE, Mr. GILCHREST, Mr. CUNNINGHAM, Mr. MANZULLO, Ms. ROS-LEHTINEN, Mr. BALLENGER, Mrs. ROUKEMA, Mrs. EMERSON, Mrs. BIGGERT, Mr. HOUGHTON, Mr. NETHERCUTT, Mr. HANSEN, Mr. FILNER, Mr. HEFLEY, Mr. PETRI, Mr. WALSH, Mr. BOEHLERT, Mr. ROYCE, Mr. COX, Mrs. MCCARTHY of New York, Mr. EVERETT, Mr. OWENS, Mr. KNOLLENBERG, and Mr. BURR of North Carolina.

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PROCEEDINGS AND DEBATES OF THE *107th* CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, TUESDAY, FEBRUARY 13, 2001 *No. 20*

Senate

The Senate met at 9:32 a.m. and was called to order by the Honorable LINCOLN CHAFEE, a Senator from the State of Rhode Island.

PRAYER

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

Almighty God, before us is a brand new day filled with opportunities to live out our calling as servant leaders. We trust You to guide us so that all that we do and say today will be for Your glory.

Since we will pass through this day only once, if there is any kindness we can express, any affirmation we can communicate, any help we can give, free us to do it today. Help us to be sensitive to what is happening to people around us. May we take no one for granted, but instead, be communicators of Your love and encouragement.

We express gratitude for all the people who make this Senate function effectively. Especially today, we thank You for the caring, servant leadership exemplified by Loretta Symms who has just retired as Deputy Sergeant at Arms. We praise You for her commitment to excellence, her 22 years service to the Senate, and her friendship to Senators and staff alike. Bless her as she moves on to the next phase of Your strategy for her life.

Now, Lord, You have richly blessed this Senate so that You may bless this Nation through its inspired leadership. In Your Holy Name we pray. Amen.

PLEDGE OF ALLEGIANCE

The Honorable LINCOLN CHAFEE led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 13, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable LINCOLN CHAFEE, a Senator from the State of Rhode Island, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Mr. CHAFEE thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. NICKLES. Mr. President, today the Senate will be in a period of morning business until 12:30 p.m. At 12:30, the Senate will recess for the weekly party conferences. When the Senate reconvenes at 2:15 p.m., there will be an additional period for morning business. This afternoon the Senate may begin consideration of any executive or legislative items available for action. Senators will be notified as votes are scheduled for the week.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12:30 p.m.

Under the previous order, the time until 11 a.m. shall be under the control of the Democratic leader or his designee.

Mr. NICKLES. I thank the Chair.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mrs. CLINTON. I yield myself 15 minutes of the time controlled by the Democrats.

HEALTH INSURANCE

Mrs. CLINTON. Mr. President, yesterday I was in Rome and Watertown, NY, to speak with members of the Rotary Clubs and chambers of commerce about the upstate New York economy and how we can work together to promote investment and job creation in these communities. I will carry their concerns about the economy to the Budget Committee on which I am pleased to serve and where we are fashioning the framework for the next Federal budget.

We are hearing about surplus projections and words of caution, about how much faith to place in them. We are hearing about President Bush's tax cut plans and words of caution from colleagues who voted for big tax cuts in the early 1980s, cuts which helped contribute to the ruinous deficits and high interest rates that hobbles our Nation's capacity to create jobs, invest in people, and pay down our national debt. The budget resolution we create sets the stage for how much we can invest in health care, schools, and the other pressing needs of families throughout our country. Later this week, I will return to the floor to talk about the budget in greater detail.

Today I would like to discuss a topic that transcends party, geography, and

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

ideology. It is an issue that is important to the people in Rome and Watertown, Rochester and Brooklyn, and everywhere I have been in recent weeks. It will be foremost in my mind as the outlines of the 2002 budget take shape; that is, improving access to quality, affordable health care for New Yorkers, for all Americans, and especially for our children.

In this session of Congress, we will need to focus on many aspects of health care, medical privacy, Medicaid funding, genetic discrimination, providing prescription drug coverage for our seniors, and long-term care for our families, among others. Today I will talk about the importance of insuring more Americans, particularly our children, and protecting the rights of those who are insured.

In all corners of New York, I have met countless people who have told me powerful stories of the cruel inequities of our health care system. Last August, at the Dutchess County Fair, a single mother told me how hard it was to keep her family afloat because her medical bills totaled more than $30,000. She was worried she would become impoverished and forced to go on welfare.

In Massena, an uninsured woman suffering from cancer told me how much trouble she had finding a doctor who would treat her for free. In the MonteFiore Children's Emergency Room in the Bronx, I saw children who had come there for asthma treatments because they had no health coverage and, therefore, no doctor of their own. From Buffalo to Bay Shore, the people of New York have urged me to go to the Senate to fight for better health care.

Many of my colleagues will remember when I came to Capitol Hill 7 years ago with an idea or two about how to improve health care in our country. At that time, I was privileged to work with the Acting President pro tempore's father, who served not only Rhode Island, but our entire country so well for so many years. We were not successful then, but I learned some valuable lessons about the legislative process, the importance of bipartisan cooperation, and the wisdom of taking small steps to get a big job done.

The Clinton-Gore administration took such steps, and with the help of both Democrats and Republicans we made progress: the Kassebaum-Kennedy Health Insurance Portability and Protection Act, the Family and Medical Leave Act, the Children's Health Insurance Program, the help we gave to young people leaving the foster care system under the Chafee bill—to give them eligibility for Medicaid health coverage through their 21st birthday, ending drive-by deliveries, mental health parity, helping to prevent breast cancer by waiving cost sharing for mammography services in the Medicare program—and providing annual screening for beneficiaries age 40 and older, advances in federally funded medical research, and the human genome project.

Even with such progress, however, there are still 40 million Americans who are uninsured. Adults with health insurance are three times more likely to receive care when they need it. People with no health insurance are 50 to 70 percent more likely to be hospitalized for routine illnesses such as pneumonia. Children with no health insurance are twice as likely to be hospitalized for illnesses such as asthma and ear infections. Americans without health insurance are 4 times more likely to seek care in emergency rooms.

It has only been 3 months since my election and 6 weeks since I was sworn in, but already I have received hundreds of letters from New Yorkers urging me to help them, their families, and their neighbors get the care and coverage they need. One such letter is from Kevin Pispisa, a Boy Scout from Troop 207 in North Babylon, whose parents are nurses. Kevin wrote to me:

> It seems that the poor working class do not have the means to receive adequate health care. Some of them cannot afford to go to the doctor or pay for medication that they need.

Elsie Doetsch from Binghampton wrote to tell me about her friends who are dairy farmers. She is concerned about them because, as she writes in her letter to me:

> They work every day to help put the food we eat and enjoy on our tables, yet cannot afford the ''luxury'' of health insurance, which I feel is a necessity for anyone in their hazardous occupation.

These letters serve as an important reminder to us all as we think about President Bush's tax cut plans and as we deliberate over the shape of our new budget. We must not forget to invest in the people we represent. We must help them find affordable quality health care. Health insurance should not be a luxury; it should be a fact of life for Americans everywhere.

Let me be specific. We should expand the Children's Health Insurance Program. If we change the poverty threshold to include children and families with annual incomes up to 300 percent of the national poverty level and extend the program to parents of eligible children, we can provide health care to more than 5 million parents and nearly 2 million more children. Merely expanding CHIP, however, is not enough. We need to do more to encourage the enrollment of the 7 million children who are eligible for CHIP, or Medicaid.

I am very pleased that in New York, CHIP outreach efforts include radio PSAs in a number of languages, from Greek to Russian to Albanian to Creole to Chinese. We should provide a financial bonus to States that meet CHIP enrollment targets and reduce the CHIP-enhanced matching rate for States that fail to do so.

There are other creative ideas to provide greater access to health care for all Americans. As we consider them, I believe we should adhere to certain principles. First, we must develop policies that cover more uninsured Americans without encouraging businesses to drop or reduce their employees' health benefits. Second, we should make improvements to our health care system without setting up burdensome new Federal or State bureaucracies. Third, we should not penalize States such as New York that have been leaders in expanding coverage. Fourth, we should encourage flexibility for States to expand coverage while enacting strong accountability provisions so that taxpayer dollars are effectively invested.

As we work to expand health care coverage, we must also work to improve the quality of coverage. That is why it is past time to pass a meaningful Patients' Bill of Rights, and I am very pleased to be a cosponsor of the McCain-Edwards-Kennedy Patient Protection Act of 2001.

President Bush recently set out his principles for a Patients' Bill of Rights, and this legislation meets every one of them with only one exception: The President wants to preempt State laws that allow people to seek relief in State courts when they are injured by bad HMO decisions. That objection should not stand in the way of progress. I believe President Bush can transform the rhetoric of leadership into the reality of accomplishment by embracing this bipartisan patient protection act. Across this aisle and across our country, Democrats and Republicans are joined together in support of this Patients' Bill of Rights. Say the word, President Bush, and we can make this bill a law.

I appreciate the opportunity to speak today, and I look forward to working with my colleagues on improving the health of our Nation in the context of a budget that is balanced and prudent.

I would also like to take this occasion to pay special thanks to my predecessor, Senator Daniel Patrick Moynihan, whose legacy of service to New York and our Nation is unparalleled and who has always been a source of inspiration, not only to me and my colleagues but to people literally around our world.

Finally, I am so grateful to the people of New York who have given me this extraordinary opportunity to serve them. Over the course of the next 6 years, I will work hard each and every day to listen to their concerns and to fight for their futures.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

SENATOR CLINTON'S MAIDEN SPEECH

Mr. BINGAMAN. Mr. President, I congratulate the Senator from New York on her first official speech here in the Senate. I particularly appreciate her focus on health care, a subject about which she knows a tremendous amount. Of course, she will make a great contribution in the Senate.

THE TAX CUT

Mr. BINGAMAN. Mr. President, I want to take a few moments to talk about the proposed tax cut that is, of course, the main focus of a lot of our attention in the Congress since the President sent us the tax cut proposal this last week, and give some thoughts as to my perspective on it at this point. I am sure that perspective will evolve as we get closer to actual consideration of the bill on the Senate floor. But I wanted to talk about how I see it at this point.

I think there are four obvious questions we need to ask about this tax cut proposal. First, should we have a tax cut? That may be the easiest question for all of us, but it is a legitimate question. Second, is the President's proposal the right size of tax cut in total, his $1.6 trillion proposal? Third, is it structured appropriately in order to accomplish what we want to accomplish for our economy? The fourth obvious question is, does the President's proposal constitute a fair distribution of the benefits from this proposed tax cut?

Let me take a few minutes to deal with each of these. First of all, should we have a tax cut at this point in our Nation's history? To me, the answer is clearly yes. We can afford to have a tax cut because we are now projecting substantial surpluses, whereas most of the time I have served in the Senate, we have been dealing with deficits, not with surpluses. But we now have a surplus and a projected surplus; therefore, we can afford a tax cut.

Second, if we do properly structure this tax cut and do it quickly, pass it quickly and send it to the President for signature, it could stimulate the economy at a time when our Nation may need a real stimulus, perhaps as early as this summer or early this fall.

Those are reasons why I believe a tax cut is appropriate.

The second question I posed was, was the President's proposed $1.6 trillion the right size of a tax cut at this time.

I have some real doubts about that. And my answer has to be at this stage based on what I currently know and what I think all of us currently know. I think the answer has to be that it is not the right size; it is too large.

The answer to the question has to be no. We should downsize the proposed tax cut before we enact anything here in the Senate.

Why do I say this? Let me give a few reasons.

First, there is a tremendous amount of uncertainty at this particular point about where our economy is headed. Last Thursday I saw a report in the New York Times reporting that many States expect a reduction in their State sales tax receipts, indicating a slowdown in sales. Of course, the States are much more dependent upon sales tax receipts than the Federal Government.

Many States that were awash with cash a few months ago now are preparing for budget cuts. They are seeing their projected surpluses at the State level evaporate as they see the expected revenue coming in from these sales taxes to be reduced. At the same time, the administration and the Federal Reserve Board are warning about a slowdown in the economy. I know Chairman Greenspan is speaking again today. I believe he testifies before the Banking Committee, and I imagine that he will, once again, make the point that he made to the Budget Committee a couple of weeks ago, which is that we have a very slow growth economy at this particular moment; there has been a substantial downturn in economic activity.

All of this adds to the uncertainty, as I see it, and gives us more reason to hold off on locking in a very large tax cut until we get a better sense of where we are.

A second reason is, when you look at the numbers and the size of the projected tax cut, you have to become concerned about, if we go with this large of a tax cut, whether we will have the funds necessary to pay down the debt.

The remaining actions people in my State tell me they would like to see us take, if we have the funds, are a prescription drug benefit and increased defense spending.

President Bush is going to military installations this week talking about how we need to put more into national defense. The question is, Can we afford that if we go with this very large tax cut, and increased funding for education, and for a variety of needs that we have in this country?

I thought the best exposition I have seen and the best description of the problem and the best reasoned argument against the size of the tax cut was in the New York Times op-ed piece that Bob Rubin, our former Secretary of the Treasury, wrote. I thought it was extremely insightful. Let me read a paragraph.

He says the serious threat of the proposed tax cut to fiscal soundness becomes apparent when you look at the numbers a little more closely. The surplus of $5.6 trillion as projected by the Congressional Budget Office is roughly $2.1 trillion after deducting Social Security and Medicare surpluses; as many Members of Congress in both parties have advocated, making realistic adjustments to better represent future spending on discretionary programs and tax revenues.

He says we have a $1.2 trillion surplus that we are talking about having available for a tax cut. He said since the proposed tax cut would cost $2 trillion, or $2.2 trillion if an alternative minimum tax adjustment is included, it would entirely use up the remaining surplus with no additional debt reduction. That leaves nothing for special programs that already have broad support—such as the prescription drug benefit, or greater increased defense spending for a missile defense system, or other purposes, or additional tax cuts, all of which are sure to happen this year, or over the next few years.

These spending increases and the additional tax cuts could well cost between $500 billion to $1 trillion leading to a deficit under this analysis of the Congressional Budget Office projections.

My answer to the second question has to be that we cannot afford this size tax cut.

The third question that I posed is what the President's proposed tax cut should be to accomplish what we want for our economy.

Again, I think the answer has to be no.

The reality when you look at the President's proposal is that this tax cut is not intended or designed or structured to provide tax relief to anyone in the near future. It is instead intended and designed and structured to provide tax relief in the distant future.

The administration has argued that we need this tax cut to give the economy a boost at a time when we most need it, and when our economy most needs it. But the truth is, it provides absolutely no tax relief in 2001. It provides only $21 billion of tax relief in the year 2002.

The tax cut proposal we have been sent by the President is backloaded. It is a much, much larger tax cut in future years—5 or 10 years from now—than it is this year. In fact, there is no tax cut this year as proposed by the President. In my view, the structuring of this tax cut as well as its size is flawed.

The final question that I believe needs to be asked, and undoubtedly will be asked and answered many times in different ways by all of us, is, is the President proposing a fair distribution of the benefits of the tax cut.

Again, my answer has to be no. The proposal the President sent us is heavily weighted to help those with higher incomes.

I was reading a magazine that arrived at our house last night—the U.S. News & World Report. They had a chart depicting how benefits from the Bush tax plan stack up. I was just trying to analyze that chart.

They take a single person, with no children, with a $25,000 adjusted gross income and then they go up to $300,000 adjusted gross income, and a married couple with one spouse working and two children. They go through a variety of possible taxpayer situations and try to analyze how much actual tax relief will be available.

According to their calculation, under the Bush plan, an individual who is earning $25,000 a year adjusted gross income, would get $60 in tax relief the first year that this is in effect. That would be 2002. You get a $60 cut in your taxes.

If you take the person who has a $300,000 income, what about their situation? They would get $25,679 in tax relief that first year.

You say: Well, what is wrong with that? A person with an income of

$25,000 is earning one-twelfth of what the person with an income of $300,000 is earning. The tax cut for the person earning $25,000 would be one forty-second as large as the tax cut the person earning $300,000 would receive.

Then if you look at the figures 5 years out after their tax cut really begins to substantially impact, the person earning $25,000 would get a $300-per-year tax cut. The person earning $300,000 would get nearly $10,000 in tax cuts, or 32 times as much tax of a cut as the person who is earning $25,000.

I have tried to get some statistics also on the impact of the President's proposal in my State, to work those up and try to understand how the people whom I represent would be affected. Of course, some of it is not that clear. But if you look at the demographic breakdown of the Bush tax cut as it affects the New Mexico taxpayers, the inequity is fairly stark.

Based on the statistics that were supplied in the Wall Street Journal last Thursday, while only roughly 4 percent of the Bush tax cut will be going to the bottom half of the people who file tax returns in my State, nearly half the benefits of the tax cut will go to fewer than 4 percent of the wealthiest individuals in my State.

On the issue of eliminating the estate tax—part of what the President has proposed is to have no estate tax in the future—in 1998, in New Mexico, to give a clear impression as to whom this benefits, there were 166 estates that paid estate tax. If, instead of repealing the estate tax, we would increase the current exemption from the $675,000 to $2.5 million, which is one of the proposals some of us have embraced, then there would be 26 of those estates that would have paid estate tax in my State in that year under that changed law.

At a time when the administration is asking charities and private citizens to do more for their communities, we are eliminating one of the largest tax advantages for charitable contributions by wealthy individuals, if we, in fact, eliminate the estate and gift tax.

There is serious doubt as to whether this proposed tax cut is fair in its distribution of benefits, and we need to study that. We need to try to come up with something that is more fair, something that will benefit average working families in the country. We should move quickly to try to enact a tax cut because that will help us economically, but we should not move so quickly that we do not take the time to change what has been sent to us by the President and come up with the right size tax cut, which, as I say, would be substantially less than the $1.6 trillion. We should take the time to be sure it is structured in a way that the benefit is realized this year, a significant portion of the benefit, so Americans can take money home this year and see benefits in their own checking accounts.

We should alter what the President has sent us to make it more equitable. We should see to it that average working families and individuals get their fair share of whatever tax cut is enacted. This tax cut is not designed to appropriately distribute those benefits. It is something that will require substantial work. I hope we can do that.

One of the unfortunate things about our political process is that oftentimes candidates for public office make proposals and get locked into political positions long before they are elected to the office and in a position to actually try to work for the enactment of those positions. That is what has happened in this case. President Bush adopted his proposal for a $1.6 trillion tax cut well over a year ago when he was in the primaries running against Steve Forbes. There was a lot of competition within the Republican Party to see who could propose the larger tax cut.

President Bush proposed a very large one, and he has stuck to that in spite of the fact that our circumstances have changed, in spite of the fact that the economy today is not the robust economy we had a year ago, and in spite of the fact that there are real uncertainties about where we are going.

I hope we will take the time to analyze what the President sent. I hope we will also take the time to revise it so that we can better serve the people of this country by giving them a tax cut from which they can benefit quickly, a tax cut that most Americans will consider fair. I believe that is in the best interest of the country and that is clearly what our constituents have sent us here to do.

I yield the floor and suggest the absence of quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak in morning business for 15 minutes, after which I ask unanimous consent that Senator BOXER be recognized for 15 minutes.

The PRESIDING OFFICER. Under the previous order, the time of the Senator is under the control of the Democratic leader until 11 o'clock, and at such time, for those who wish to use it, the time is allocated to the Republican leader.

Mrs. BOXER. Mr. President, I ask—if no one is here at 11—whether the Democrats could speak until the Republicans come at that time.

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

Mrs. BOXER. Thank you so much.

Mr. DORGAN. Mr. President, I withdraw my request.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak until 11 o'clock.

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

ECONOMIC POLICY AND TAX CUTS

Mr. DORGAN. Mr. President, there is now a great deal of debate about economic policy, about tax cuts, and a range of issues surrounding President Bush's proposal for a $1.6 trillion tax cut that he sent to the Congress last week.

I would like to speak for a bit on that subject and talk specifically about what I think we are facing. I know it is running down hill to be talking about tax cuts and politics. It is not exactly a tough political position to say I support tax cuts; in fact, the larger the better. But I think it is also important for us to understand what we need to do to make sure we retain a strong and growing economy, one that provide jobs and economic opportunities for American families. We have had times in the past in this country where tax cuts have been proposed that are so large that we then see significant Federal deficits occur, increases to the Federal debt, the slowdown in the economy, and increases in interest rates that are very counterproductive to the interests of American families.

There have been a number of things written about tax cuts recently that I wanted to share with my colleagues.

The Wall Street Journal article dated February 8, entitled ''A Tax Cut That Redistributes to the Rich,'' by Albert Hunt:

> The gist of the Bush tax plan to be formally presented today is analogous to a familiar baseball riddle: Which brothers hold the Major League record for the most home runs? Answer: Hank Aaron, who hit 755, and his brother Tommy, who hit 13.
>
> The wealthy are the Henry Aarons of the Bush tax plan, while working-class taxpayers are the Tommys. But the president packages the cut as equally generous to all.
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> * * * * *
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> Most appalling in the Bush plan, however, is who's left out. The president talks about helping the $25,000-a-year waitress with two kids, but the Center on Budget and Policy Priorities, a liberal advocacy group that conducts widely respected research, reported yesterday that under the Bush plan, 12 million lower- and moderate-income families, supporting 24 million children, would get nothing. Over half of African-American and Hispanic kids wouldn't benefit from the Bush initiative.

Let me show you another piece by the Wall Street Journal, written by Jackie Calmes, published yesterday:

> As president Bush promotes his $1.6 trillion, 10-year income-tax cuts here, back in Texas, state legislators are so pinched after two tax-cut plans he won as governor that they are talking of tapping a state rainy-day fund or even raising taxes.
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> * * * * *
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> ''He got elected president, yet we were left holding the bag here,'' state Sen. Carlos Truan said last week as the Senate Finance Committee began grappling with the fiscal needs.
>
> Mr. Truan is a Democrat, so what was more attention-grabbing was the comment of a Republican, Senate Finance Committee

Vice Chairman Chris Harris. ''We made tax cuts because we thought we had this huge surplus,'' he said, adding, ''I might have voted a little differently on all those tax cuts'' had he realized just the Medicaid pressures ahead.

* * * * *

''It will work,'' Mr. Junell says of the budget-balancing. But Mr. Coleman, watching the tax-cut bidding in Washington, suggests the Texas experience ''should give people pause.''

Next, the Washington Post:

The bigger problem for middle-income Americans since the Reagan tax cuts in the 1980s has been the payroll tax for Social Security and Medicare, which actually eats up much more of a worker's paycheck. Payroll taxes are not addressed by Bush's 10-year $1.6 trillion tax cut.

* * * * *

Bush hasn't emphasized that the benefit from his plan ends when a worker no longer owes income tax. So, because the single mom making $25,000 pays only at most a few hundred dollars in federal income tax, that would be the extent of her tax cut. The lawyer, now at the 36 percent rate, would benefit from the drop to 33 percent, and from most of the other rate cuts.

You get the picture.

The point is this is a very interesting tax cut proposal that suggests everybody is going to benefit when, in fact, not everybody is going to benefit.

If I might provide another chart that I read last week that also addresses a part of this question for the Congress, this is written by Alan Sloan of the Washington Post:

There are weeks when you have to wonder whether the American economic attention span is longer than a sand flea's. Consider last week's two big economic stories: The Congressional Budget Office increased the projected 10-year budget surplus by $1 trillion, and the Federal Reserve Board cut short-term interest rates another half-percentage point to try to keep the economy from tanking.

To me, the real story isn't either of these events; it's their connection. The Fed is cutting rates like a doctor trying to revive a cardiac patient because as recently as last fall, Fed Chairman Alan Greenspan didn't foresee what today's economy would be like. Meanwhile, although it's now clear that even the smart, savvy, data-inhaling Greenspan couldn't see four months ahead, people are treating the 10-year numbers from the Congressional Budget Office as holy writ.

Why is this important? Because we are now somewhere in the process of the longest economic expansion in the history of this country, with an economy that is weakening sufficiently so that the Federal Reserve Board is very nervous and is taking quick action to try to stem this weakening economy. In fact, 7 months ago, Alan Greenspan felt so strongly that our economy was growing too fast that he increased interest rates 50 basis points. Seven months ago, he felt the American economy was out of control and was growing too rapidly. ''We need to slow it down,'' he said. He couldn't see 7 months ahead.

We are told, however, that we can see 10 years ahead. President Bush says let's lock in a permanent tax cut the cost of which in 10 years, he says, is $1.6 trillion. But, in fact, the cost is much more than that—about $2.6 trillion. Then he says despite the fact that the top 1 percent only pay 21 percent of the federal tax burden—the burden of income taxes, payroll and other taxes—they will get 43 percent of the tax cut that is proposed. This President says let's have a tax cut but only take one portion of the tax system and measure our burden by that. And in that circumstance he says let's provide 43 percent of my tax cut to the top 1 percent.

One final chart: This is the income tax to show what is happening with this tax cut proposal. Eighty percent of the population would get 29 percent of the benefit, and the top 1 percent would get over 40 percent of the benefit.

There are a couple of things wrong here. One, it would be very unwise to risk this country's economy, risk jobs and opportunity that comes from it, risk Social Security and Medicare, risk education and health care investments that are needed by believing we can see 5 or 7 or 10 years out, and that we ought to lock in a large tax cut, the bulk of which is going to go to the very highest income people.

Mr. DURBIN. Mr. President, will the Senator yield for a question?

I thank the Senator for his presentation. Now that we are in the national debate over tax cuts, and the question of projections, I heard a statistic last week which I think the Senator might also have heard.

Five years ago, the economists were trying to predict what would happen this year. This whole tax cut is based on our projections into the future of 5 years and 10 years. Five years ago, economists—the same people to whom we are turning—suggested that—I believe these numbers are correct—we would face a $320 billion deficit this year; five years ago, a $320 billion deficit. It is my understanding that instead we have a $270 billion surplus.

The same economists that we are basing our projections on for 5 and 10 years missed it by $590 billion in this year.

If that is the fact, when we project where we might be going with this tax cut, I think the Senator makes a good point.

Let us be conservative. Let us be sensible. Let us be prudent to make sure we don't overspend any surplus in the future.

Mr. DORGAN. The year before the last recession, 35 of the 40 leading economists in this country said next year will be a year of economic growth. The point is the same point the Senator from Illinois made. We don't know what is going to happen in the future. The field of economics is a little psychology pumped up with a lot of helium. I say that having taught economics. We don't know what is going to happen in the future.

Alan Greenspan, who is canonized in a book, couldn't tell 7 months in advance what was going to happen to this economy. So we don't know what is going to happen in the future, and we would be very wise to be cautious.

There is room to provide a tax cut, and we should do that. At the same time, we ought to be cautious enough to understand that while we provide a tax cut, and one that is fair to working families in this country, we ought not lock ourselves into a situation that could cut off economic growth and opportunity in the future. How would we cut it off? By sinking right back into the same deficit ditch we were in before.

What will happen if we do that? We will see higher interest rates, economic growth slowing, fewer opportunities, and fewer jobs. In the last 8 years, we have had over 22 million new jobs created. The 4 years previous to that, when we had growing deficits, higher interest rates, and economic trouble all around us, we saw one of the worst periods of job growth in history.

This is a very important economic decision we are making. The debate about it ought not be partisan. It is just a debate in which we have different ideas about how to proceed. My feeling is, proceed cautiously. Let us provide a tax cut. Let us do it in a way that is fair to working families. Let us have a trigger so that in the event the economy goes sour, we will not sink back into big deficits.

Let us also be concerned about the other things we must do. We ought not dip into Social Security or Medicare trust funds. We ought to have enough money available to provide a prescription drug benefit through the Medicare program. We ought to invest in schools that are crumbling and reduce classroom size. We ought to pass a Patients' Bill of Rights and help people who are dealing with health care needs. There are a series of things we can and should do that represent a set of priorities that are also important to us.

Mr. DURBIN. If the Senator will yield for another question, I know in the Senator's home State of North Dakota there are many areas that are conservative, as there are in downstate Illinois. I speak to a lot of business groups with generally conservative people when it comes to politics. I ask the Senator from North Dakota what kind of reaction he finds from these same conservative businessmen when talking about the surpluses and the tax cut.

Mr. DORGAN. The first reaction is, we ought to pay down the Federal debt. That ought to be part of the original priority. If you run up the debt during tough times, then you ought to pay it down during good times.

Second, they feel very strongly that most important is we ought to keep this economic expansion going. We don't want to sink back into budget deficits once again. Almost all of them would say we can't see 2, 3, or 5 years ahead.

The PRESIDING OFFICER (Mr. ENZI). The time of the Senator from North Dakota has expired.

The Senator from Illinois.

Mr. DURBIN. May I inquire if there is a unanimous consent on the order of speakers?

The PRESIDING OFFICER. There is a unanimous consent. The time from 11 until 12:30 is under the control of the Senator from Alaska or his designee.

Mr. DURBIN. I thank the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

(The remarks of Mr. CRAIG pertaining to the submission of S. Con. Res. 10 are printed in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

STRENGTHENING OUR NATIONAL SECURITY

Mr. THOMAS. Mr. President, I am waiting for one of our associates to come. In the meantime, I want to begin some conversation and discussion about the topic of the week, which the President has been working on certainly, and that is strengthening our national security.

I suspect most people would agree that the responsibility for defense is perhaps the No. 1 responsibility of the Federal Government. It is the activity that no other government at any other level can handle. It is the thing that, of course, all of us are very aware of. We are constantly grateful for the kinds of things that have been done to preserve our freedom by the military over the years. For more than 200 years, the military has been that arm of Government that has preserved our freedom. Many people have sacrificed, including the soldiers, sailors, and the marines, over the years.

So as we face the question of defense and the military, that is one of the things with which we are obviously most concerned. The President has put this as one of his high priorities, and I think properly so. Clearly, over the last 8 years, specifically, the military has not been supported to meet the kinds of needs they have had.

I think it is very clear that there are at least two kinds of questions to be answered as we go about funding the military. One has to do with improving the quality of life for military personnel. The other, then, has to do with the idea of examining the structure, examining where we are in terms of the military and how it meets today's needs and the changing needs that obviously have happened around us.

I think the President has been very wise to commit himself to some payments soon to help with the quality of life for the military. I think equally as important has been his request for some studies, bottom-up analyses, of the military prior to making any substantial changes in the way the military is structured, the kinds of weapons that are necessary and those things that will deal with that aspect of it.

With regard to quality of life, certainly one of the things that is important, obviously, is that the military is built around personnel, around the idea that you have men and women willing to serve. We now have a voluntary military, of course, so that it has to be made somewhat attractive for people to be interested in joining the military, so that recruitment can be kept up. Equally as important, of course, is after the training that takes place in the military, it is necessary to have the kind of arrangement where people can stay there once trained, whether it be airplane mechanics, or pilots, or whatever, to leave the training and their training goes unused.

So the President has, I believe yesterday, gone down to Georgia and committed himself to some things to improve the lives of our troops—to raise military pay, renovate substandard housing, to improve military training, and take a look at health care, as well as some deployments in which we have been involved.

The President will announce, as I understand it, about a $5.76 billion increase, which will include $1.5 billion for military pay, which is in the process and should be in the process of causing these folks to be able to come a little closer to competition with the private sector; about $400 million for improving military housing; and almost $4 billion to improve health care for the military.

I believe these things are very necessary and should happen as quickly as possible. I have had the occasion and honor over the last month or so to visit a couple military bases, Warren Air Force Base in my home State, a missile base in Cheyenne, WY, and Quantico, VA, the Marine Corps base close to D.C., here, where I went through training for the Marine Corps many years ago. It is an interesting place. In both instances, the first priority on these bases was housing, places for enlisted NCOs, officers, to live on base.

As to the housing in both instances, it is interesting. As different as these two bases were, and as far as they were apart, the problems in housing were very similar. Housing that had been built back in the thirties was still being used. It really had gone to the extent that rather than being renovated or repaired, it wasn't worth that; it had to be destroyed and replaced. Some, of course, could be fixed up. It is very difficult, particularly for enlisted with families, No. 1, find a place to live, particularly at a place such as Quantico, but more importantly to have it economically reasonably attractive for these folks. As we move toward this, I hope the President will maintain—and I want to comment on this later—his commitment to doing something immediately for the personnel, and then to go through this study. I think there is a great deal that needs to be done in terms of how the military is structured. It is quite different now.

Obviously, our big problem now is terrorism. There are problems around the world in smaller units. We are not talking about ships full of divisions of troops with tanks landing somewhere. We are talking about something that can move quickly and is available to move and sustain itself without logistical support for some time. These are things that I think are very important.

I intend to come back later this morning and talk more about this. In the meantime, I yield to the Senator from Arizona.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona.

Mr. KYL. I thank the Chair.

Mr. President, I thank the Senator from Wyoming for his interest in the subject of national defense. As he noted, this is a week in which the President is announcing several initiatives in that regard. One of his primary objectives, he said, is to strengthen the military so we can meet the challenges of this new century.

He is beginning, naturally, with the support for the troops, which is the right place to begin, but he has also noted there are a lot of other challenges. We in the Congress who have been working with this over the years appreciate the warnings of the Joint Chiefs of Staff and the immediate past Secretary of Defense who have noted we are going to have to spend a lot more on defense in order to bring our defense capabilities up to the level where they need to be to deter threats around the world.

One of the threats that has received a lot of attention in recent weeks on which I want to focus today is the threat of an attack by an adversary delivering a weapon of mass destruction via missile. Of course, there are other ways of creating problems for the United States. We try to deal with each of these different threats.

As chairman of the Subcommittee on Terrorism of the Judiciary Committee, for example, I have worked hard to ensure we can both detect and deter terrorism, whether in the form of delivery of a weapon in a suitcase that people like to talk about or in the case of an attack directly against an installation or U.S. assets, such as the attack on the U.S.S. *Cole*. In all of those situations, we have plans and we have made some progress in meeting that threat of terrorism.

Where we have been lacking is in a commitment to deal with the other equally ominous threat of weapons of mass destruction delivery, and that is via the intercontinental ballistic missile or a medium-range missile. Why would countries all over the globe that mean us no good be spending so much money on the development of their missile capability and weapons of mass destruction warheads that could be delivered by the missiles? And by that, the WMD—the weapons of mass destruction—we are speaking of would be biological warheads, chemical warheads, or nuclear warheads. Why would

they be spending so much money if they did not intend to either use those missiles against us or threaten to use them?

Why do we focus on threats?

As Secretary Rumsfeld has pointed out several times recently, one of the advantages of a missile over some other kinds of terrorist acts is that they can threaten other countries, for example, to stay out of their way as they take aggression against another country, threatening that if they bother them, if they try to intercede in what they are trying to do, they will launch a missile against them.

An example is the Saddam Hussein situation in which he goes into Kuwait. Had he had missiles with longer range capability and warheads that could have delivered weapons of mass destruction, he could have easily threatened cities in Europe and made it much more difficult for the United States to have put together the coalition that we eventually put together to stop him from further aggression and eventually repel him from Kuwait.

It is the threat of the use of these weapons, as much as the weapons themselves, that is an instrument of policy.

Another case that nobody likes to talk about because we do not consider China as an enemy of the United States—and it is not—is the situation in which, however, China would potentially, with leaders who decide they have to take aggressive action against Taiwan, begin initiating some form of military threat or action against that island and force the United States to choose whether or not to defend Taiwan.

One of the elements of whether we might do so is whether we would be subject to attack by the Chinese if we sought to inhibit their aggressive intentions. At least some in the military in China have already made it perfectly plain that they have missiles that can reach the United States and perhaps we would want to think twice before coming to the aid of Taiwan.

Again, this is not something I project or suspect is going to happen anytime soon, but the fact is intercontinental or medium-range missiles that can deliver weapons of mass destruction can be used to stop countries such as the United States from interfering in hostile actions. That is one of the reasons we have to be concerned.

The other reason, of course, is these weapons can actually be used. It is not just the threat of use but the actual use. We know from past experience that countries that see no hope in their situation flail out, launching these kinds of missiles against their enemies in a last desperate attempt to at least prove their point, if not to win the war. We know there are some who have indicated they might do this again in the future.

For example, a defeated Nazi Germany fired over 2,400 V–1 and 500 V–2 rockets at London, causing over 67,000 casualties, including 7,600 deaths.

During the Yom Kippur war, Egypt launched Scud missiles at Israel.

The so-called ''War of the Cities'' during the 8-year Iran-Iraq war saw almost 300 Scud missiles exchanged between combatants, with little or no anticipation that such actions would facilitate victory.

In 1986, Libya, in response to U.S. air strikes that were in themselves a response to Libyan-sponsored terrorist acts, launched two Scud missiles at a U.S. facility in Italy. That they landed harmlessly in the Mediterranean Sea does not diminish the significance of the event in the context of the use of hostile regimes.

While we try to deter countries from launching these kinds of missiles, we know that sometimes deterrence fails and these missiles will be launched. In that case, there is only one thing that is sensible, which is to try to have some kind of defense in place to protect our citizens or our troops deployed abroad or our allies.

The sad truth is, unfortunately, the United States today cannot defend itself from a hostile missile attack. In fact, we have a very hard time defending against even the kinds of missiles launched a decade ago in the Persian Gulf war. Remember the single largest number of casualties in that war: 28 American soldiers died because of a Scud missile attack at our base in Saudi Arabia that we could not stop. Yet in the interim, between that event and today, we have made precious little progress in fielding a system which can defend against that kind of threat.

I just returned from a trip the weekend before last to Munich, Germany, the so-called Veracunda, a conference of primarily NATO defense ministers, the Secretary General of NATO, as well as representatives of the U.S. Senate and other parliamentarians—primarily of the NATO countries—to talk about the future of NATO and the United States-allies cooperation, among other things, in the development of ballistic missile defenses. The U.S. delegation was led by my colleagues John MCCAIN and Joseph LIEBERMAN. All of us, including Secretary Rumsfeld who was in attendance, made the point to our allies that the United States had no option but to move forward with missile defense, that our interests were threatened around the world, and that we would have to move forward, but that we wanted to consult with our allies so, first of all, they would understand what we are doing, why we are doing it, and perhaps they would have some participation in how it would evolve, at least as to how it impacts them.

We wanted to make what we did applicable to them as well, to provide protection to them if they wanted it. From a previous position of some hostility to the idea, because of their concerns about what Russia and China might do, I believe our allies are moving more to an acceptance of the fact that we are going to proceed and a willingness to confer with us on how that system evolves, even in some cases to talk to us about how we might integrate it with their own defense to provide protection to them as well.

I believe that momentum, in other words, for acceptance of our missile defense system from our allies has definitely picked up. It is important that the Senate and House support the President in his determination to move forward with our missile defense. In this regard, it will be very important for the administration to move very quickly to make it clear that the momentum has not slowed, that we do intend to move forward, and we are not going to let another season go by without beginning the deployment of assets that we can deploy.

There are very promising technologies. I will be taking the floor at later times to talk about how these might evolve. I start with the sea-based systems. It was clear that the Clinton administration wanted to have only one system. That system, built in Alaska, would have been very vulnerable. The radar that would have been constructed at Chiniak Island could be useful to us with respect to future systems that we deploy.

I think it would be a mistake to assume that is the be all and end all of our national missile defense system. Much more productive would be the use of existing assets, the standard missiles we have aboard Aegis cruisers and use the radars we would have constructed at Chiniak Island and the onboard radars, to take literally anywhere in the world to provide defense in theater, both against threats that are medium-range threats today and in the not-too-distant future, to be able to actually provide some strategic defense to protect the United States, or most of it.

As I say, this technology is probably the most advanced but it will be up to the Congress to add money to the defense budget and up to the administration to do the planning to integrate that funding into the testing program, the development program, and the fairly early deployment of that limited kind of missile defense program.

At the same time, we should be pursuing the existing plans with respect to land-based systems because I suspect that at the end of the day we are going to want to have layered systems where we have sea-based components and land-based components and the radars that facilitate the effectiveness of each. These will be details of plans emerging through the administration review, recommendations of the Department of Defense, and the funding that will be required to come from the Congress. Again, I will get into more detail on that later.

The point I make this morning is we are beginning the conversations with our allies that should have taken place years ago. This administration is committed to that. I am convinced, because of the fine statement that Secretary Rumsfeld made at the Munich

conference, that our allies are now going to be willing to work with us and will be supportive of us at the end of the day. It will be up to us to follow through with the support that only the Congress can provide.

Let me conclude by going back to the point with which I started. There are basically two reasons to have defense. The first is to deter action by would-be aggressors, and you deter not only the use of missiles but also the threat of their use, because the threat of their use is frequently the foreign policy tool of these rogue nations, to keep you out of their way while they engage in their nefarious activities. So you deter the threat and you also deter the actual use.

But the second reason is in the event deterrence fails to actually defend yourself—in some cases we know that, especially with regard to these rogue nations which can have very irrational leaders, deterrence does not work—and the missiles do get launched. If you don't have a way of defending yourself, you will suffer extraordinarily large casualties.

It would be immoral for leaders of the United States today —and this is a point Secretary Rumsfeld made over and over—it would be immoral for the President, for the Secretary of Defense, and those in the Congress not to do everything we can to facilitate the deployment of these defenses on our watch.

If American citizens are killed because we failed in that duty, we have no one to blame but ourselves because the technology is at hand, we have the financial capability of doing it, there is no longer any question about the threat, and we can work with our allies. All that is left is the will to move forward to do this.

The final point I wish to make is this: There are those who say we already have a deterrence; it is our nuclear deterrence; and no one would dare mess with the United States because of that.

There are two problems with that. The first is that we need an option to annihilating millions of people on the globe. If our only reaction to an attack against us is to respond in kind—in fact, more than in kind—and annihilate, incinerate, literally, millions of people, most of whom are totally innocent and are simply in a country led by some kind of irrational rogue dictator—if that is our only response, it is an immoral response when we have an alternative, and that is a defense that can protect the United States and deter that aggression in the first place.

Secondly, it is much more effective to have this additional response, because at the end of the day there gets to be a point where people wonder whether that nuclear deterrent is even credible. It is certainly credible against a massive nuclear attack against the United States, but is it credible against a limited attack by some irrational dictator, against the United States or our allies, that we would, then, in turn, annihilate all of the citizens of his country? That is something we have never been able to answer and we don't want to answer because we want to leave out there the notion that we might respond with that kind of nuclear deterrent, but it becomes less and less likely as time goes on.

That is why we need this alternative—another option, a moral option, the option of defense—not just the option of massive nuclear retaliation.

Mr. President, I appreciate this opportunity to address the Senate today on the threat to the United States from the proliferation of ballistic missile technology and the debate on deployment of a national missile defense system.

I recently had the pleasure, Mr. President, of attending the annual Conference on Security Policy in Munich, Germany. This conference, for those unfamiliar with it, is a gathering of U.S., European and Asian foreign and defense ministers, miscellaneous civilian defense experts, and prominent members of the media. Senators MCCAIN and LIEBERMAN led the U.S. delegation. Of particular note, Defense Secretary Rumsfeld utilized the conference to make his first major address in his capacity as head of the nation's military establishment. The main topic of Secretary Rumsfeld's address, not surprisingly, was the Bush Administration's intention to proceed with deployment of a National Missile Defense system, in consultation with our NATO allies.

The Munich Conference, as has been evident in the plethora of news stories that have appeared since, illustrated the scale of opposition among our allies as well as among countries like Russia and China. Fears of precipitating an arms race with Russia and China while driving an irreparable wedge between the United States and Europe were palpable. They were, however, equally misplaced.

Few issues within the realm of national security affairs have been as divisive and prone to alarmist hyperbole than the development of ballistic missile defenses. It really is, in a sense, almost surrealistic to contemplate a country that will spend hundreds of billions of dollars per year on national defense while conceding to its adversaries the freedom to destroy our cities if only they develop long-range ballistic missiles. And in anticipating the usual rejoinder that our military superiority will surely deter such adversaries from launching nuclear-armed missiles in our direction, let us focus a minute to two on the history of warfare in the missile age. It really is quite illuminating.

Deterrence, Mr. President, is a concept. An adversary or potential adversary will refrain from taking an action or actions detrimental to our national interest if it fears a debilitating retaliatory attack. The history of man, however, is the history of war, and the history of war is the history of deterrence—and diplomacy—failing. A nation at war will rarely refrain from employing those means at its disposal, especially when regime survival is at stake. Moreover, and of particular relevance to discussions of missile defenses, is the tendency of defeated regimes to strike out irrationally. A defeated Nazi German fired over 2,400 V–1 and 500 V–2 rockets at London, causing over 67,000 casualties, including 7,600 deaths. During the 1973 Yom Kippur War, Egypt launched Scud missiles at Israel. The so-called ''War of the Cities'' during the eight-year Iran-Iraq War saw almost 300 Scud missiles exchanged between combatants with little or no anticipation that such actions would facilitate victory. In April 1986, Libya, in response to U.S. air strikes that were in themselves a response to Libyan-sponsored terrorist acts, launched two Scud missiles at a U.S. facility in Italy. That they landed harmlessly in the Mediterranean does not diminish the significance of the event in the context of the use of missiles by hostile regimes.

While deterrence should remain a fundamental tenet of our national security strategy, it is not enough. Clearly, we cannot assume, nor base the security of our population, on our own estimations of the calculations occurring in the minds of hostile dictators, especially during periods of heightened tensions. The historical record should be sufficient to convince all of us that missile proliferation is a serious problem—certainly, on that, we all agree—and that those missiles can and may be used, either in the throes of defeat or as the result of a failed attempt to deter the United States from acting in defense of our vital national interests in regions like the Middle and Far East. The recent publication of the book ''Saddam's Bombmaker,'' written by the former chief engineer of Iraq's nuclear weapons program, includes a passage suggesting, based upon the author's personal observations of Saddam Hussein, that the Iraqi dictator fully intends to launch nuclear-armed missiles against Israel in the event he becomes convinced that his personal demise is inevitable. Should he attain the capability to launch an intercontinental ballistic missile, I think it is no stretch of the imagination to add the United States to that list.

The case of Iran is equally worrisome. Last Fall, we undertook a rather impromptu debate on the nature of Russian-Iranian relations when the New York Times ran a series of articles detailing possible violations of the Iran-Iraq Nonproliferation Act and the subsequent 1996 amendment to the Foreign Assistance Act, which sought clearly to sanction foreign entities determined to be transferring destabilizing military equipment and technology to Iran and Iraq. The debate that emerged focused, of course, given

the text of the law, on conventional arms transfers from Russia to Iran. Something of a given, as far as the Clinton administration's posture was concerned, with that the Russian-Iranian military relationship had been largely contained courtesy of the former vice president's diplomatic skills.

Putting aside the subsequent abrogation of the secret Gore-Chernomyrdin Pact and the emergence of a more open and vibrant conventional arms trade between Russia and Iran, the issue of missile and nuclear-technology transfers was clearly presumed to be under control. But all available information points to the contrary. More disturbing, the relationship is unquestionably at the government-to-government level. The Clinton administration's arguments that individual Russian entities were circumventing good-faith Russian efforts at stemming the flow of nuclear and missile technology to Iran, the basis of its veto of the Iran Nonproliferation Act, were wholly without merit. In defense of this relationship, Russia's most prominent defense analyst, Pavel Felgenhauer, was recently quoted as stating, ''We are brothers-in-arms, and have long-term interests together.'' And Defense Minister Sergeyev's December 2000 visit to Iran to conclude the new arms agreement was trumpeted by Sergeyev as ushering in a ''new phase of military and technical cooperation.''

A recent CIA report act on foreign assistance to Iran's weapons of mass destruction, missile and advanced conventional weapons programs, submitted pursuant to the requirements of the fiscal year 2001 intelligence authorization act, includes the following:

Cooperation between Iran's ballistic missile program and Russian aerospace entities has been a matter of increasing proliferation concern through the second half of the 1900s. Iran continues to acquire Russian technology which could significantly accelerate the pace of Iran's ballistic missile development program. Assistance by Russian entities has helped Iran save years in its development of the Shahab-3, a 1,300-kilometer-range MRBM * * * Russian assistance is playing a crucial role in Iran's ability to develop more sophisticated and longer-range missiles. Russian entities have helped the Iranian missile effort in areas ranging from training, to testing, to components. Similarly, Iran's missile program has acquired a broad range of assistance from an array of Russian entities of many sizes and many areas of specialization.

Similarly, the Department of Defense's January 2001 report, Proliferation: Threat and Response, states with respect to Russian-Iran nuclear cooperation, that

Although [the Iranian nuclear complex] Bushehr [which is receiving substantial Russian assistance] will fall under IAEA safeguards, Iran is using this project to seek access to more sensitive nuclear technologies from Russia and to develop expertise in related nuclear technologies. Any such projects will help Iran augment its nuclear technology infrastructure, which in turn would be useful in supporting nuclear weapons research and development.

Finally, and not to belabor the point, the Director of Central Intelligence George Tenet recently testified before the Intelligence Committee that Russian entities ''last year continued to supply a variety of ballistic missile-related goods and technical know-how to countries such as Iran, India, China, and Libya.'' Indeed, Director Tenet emphasized this point several times in his testimony, stating, ''the transfer of ballistic missile technology from Russia to Iran was substantial last year, and in our judgment will continue to accelerate Iranian efforts to develop new missiles and to become self-sufficient in production.''

The significance of this relationship is considerable. Opponents of missile defenses have argued both during and after the cold war that the dynamics of warning and response have changed; that we will have sufficient strategic warning of serious threats to our national security to take the necessary measures in response. The entire basis of the Rumsfeld Commission report, and of much of DCI Tenet's testimony, on the threat from foreign missile programs, however, is that strategic—and, indeed, tactical—warning can be severely diminished in the event suspect countries succeed in attaining large-scale technical assistance or complete ballistic missiles, which Saudi Arabia accomplished by its purchase of Chinese CSS–2 medium-range ballistic missiles and Pakistan did in the case of the Chinese M–11 missile transfer. That is clearly the case with Iran.

The impact on U.S. national security policy of the proliferation of ballistic and cruise missile technology, as well as of so-called weapons of mass destruction, should not be underestimated. Presidents of either party and their military commanders will undergo a fundamental transformation in their approach to foreign policy commitments and the requirement to project military power in defense of our allies and vital interests if they possess the knowledge that American forces and cities are vulnerable to missile strikes. We have pondered the scenario wherein our response to an invasion of Kuwait by a nuclear-armed Iraq would have been met with the response the 1990 invasion precipitated. Similarly, the oft-cited threat against the United States by Chinese officials in the event we come to the defense of Taiwan should be cause for sober reflection—although the commitment to Taiwan's security should be equally absolute. The point, Mr. President, is that the development or acquisition by rogue regimes of long-range ballistic missiles will alter our response to crises in an adverse manner. Secretary Rumsfeld summed up the situation well in his speech in Munich when he stated, ''Terror weapons don't need to be fired. They just need to be in the hands of people who would threaten their use.''

The need for continued development and deployment of systems to defend against ballistic missile attack is real. We lost eight precious years during which the previous administration stood steadfast in opposition to its most fundamental requirement to provide for the common defense. No where in the Constitution is there a qualification from that responsibility for certain types of threats to the American population, and I doubt one would have been contemplated. The Founding Fathers were unlikely, I believe, to have supported a policy wherein the United States would defend itself against most threats, but deliberately leave itself vulnerable to the most dangerous.

We can research missile defenses in perpetuity and not attain the level of perfection some demand. We can, however, deploy viable systems to the field intent on improving them over time as new technologies are developed. We do it with ships, tanks, and fighter aircraft. The value of having fielded systems both as testbeds and for that measure of protection they will provide, while incorporating improvements as they emerge, is the only path available to us if we are serious about defending our cities against ballistic missile attack.

Yes, I know that a multibillion dollar missile defense system will not protect against the suitcase bomb smuggled in via cargo ship. But let us not pretend that we are not talking actions to defend against that contingency as well. Arguments that posit one threat against another in that manner are entirely specious. As I've noted, the history of the missile age is not of static displays developed at great expense for the purpose of idol worship. It is of weaponry intended to deter other countries from acting, and to be used when militarily necessary or psychologically expedient. We can't wish them away, and the fact of proliferation is indisputable. The deployment of a National Missile Defense system is the most important step we can take to protect the people we are here to represent. They expect nothing less.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

DEFENSE

Mr. GRASSLEY. Mr. President, I was hoping Thursday afternoon to be on the floor with Senator BYRD as he spoke about some issues dealing with the Defense Department. I ask my fellow Senators and staff of the Senators who are interested in defense matters to read Senator BYRD's speech on page 1236 of the CONGRESSIONAL RECORD of February 8. I will comment, not as comprehensively as he did, about some of the problems at the Department of Defense. I will read one paragraph from his speech. It is related to a lot of work that I have been doing in the Senate for quite a few years on the lack of accountability in cost management and inventory management and just generally the condition of the books in the Defense Department, which is also the basis for my remarks today.

I quote from Senator BYRD's speech: So here's the question I have. If the Department of Defense does not know what it has in terms of assets and liabilities, how on Earth can it know what it needs?

We are in the position where the new President of the United States is making a judgment of how much money he should suggest over the next few years to increase defense expenditures.

The President this week is highlighting that. I think the President needs to be complimented. He has put off for a while until the new Secretary of Defense can do a study of Defense Department needs and missions before making the specific judgment of how much money should be spent.

This is somewhat different than what President Reagan did in 1981 when the judgment was that just spending more money on defense automatically brings you more and a better defense. Obviously, at that time more money needed to be spent, but exactly how much needed to be spent was not so clear. A lot more money was appropriated, creating a situation where an Assistant Secretary of Defense at that particular time said there was so much money allocated that we piled the moneybags on the steps of the Pentagon and said to them: Defense contractors, come and get it.

I think we look back and know some of that money probably was not wisely spent, although we do give credit to President Reagan for spending more, and in a sense challenging the Soviets in a way so they had to call a halt to the cold war. That saved the taxpayers a lot of money in the long term. Now we have a President who has time to think about what should be done and is giving it the proper consideration.

So I want to start out by complimenting President Bush for his approach to ramping up defense expenditures at a time in our history when there is a general consensus among both political parties that more ought to be spent. Since we are going to spend more, it ought to be spent very wisely. President Bush deserves the thanks of the American taxpayers for being very careful.

He has stated there is a need for an immediate increase in pay and housing for military people to enhance their morale and keep dedicated people who are already trained, give them a financial incentive for staying in instead of getting out and going into the private sector—he is moving ahead on those few things. But on the larger question of increasing expenditures, particularly for enhanced weaponry and new weapons, he is waiting until there is a study completed. I thank him for doing that.

Regardless, as Senator BYRD said, we ought to have a set of books, an accounting system, at the Defense Department that is not only such that we know what the situation is, how much we have in inventory, how much is actually being paid for a weapons system, but when we have a bill to pay, we ought to know what we got for that bill. What goods and services were received? The point is, we do not now have that information. That was the point of Senator BYRD's question. It is the point of my question today. But my questioning is on ongoing points I have been raising with the Defense Department now for a period of probably 4 or 5 years or longer.

I am truly honored to have an opportunity to speak on the very same subject that Senator BYRD spoke on last Thursday. I am hoping the Senator from West Virginia and this Senator from Iowa can team up this year in a search for a solution. As many of my colleagues know, I have been wrestling with this problem for a number of years, and, candidly, without a whole lot of success in getting the Defense Department to change their bad accounting, and not having a basis, then, on which to ask for further increases into the future. I have come here to the floor of the Senate and spoken about this many times. I have raised these same concerns during hearings before the Budget Committee.

As chairman of the Senate Judiciary Subcommittee on Administrative Oversight, I have investigated this problem and held hearings on it. I have offered legislation on it and some of that legislation has been incorporated, thanks to Senator BYRD and Senator STEVENS, the ranking people on the Appropriations Committee, in various Department of Defense appropriations bills.

The General Accounting Office and the Pentagon's inspector general have issued report after report after report exposing these same problems. In fact, their investigative work has been the basis for some of my remarks in the past.

So here we have, again, last week, this issue being raised by the Senator from West Virginia. I am glad to have somebody of Senator BYRD's stature asking pertinent questions because then people pay attention. People listen up. That also applies to my listening and reading what the Senator from West Virginia had to say last week.

Senator BYRD started his inquiry maybe months and years ago, for all I know, but it came to my attention when he was participating in a hearing before the Senate Armed Services Committee on January 11, the hearing on the nomination of Mr. Rumsfeld for Secretary of Defense. My gut sense tells me Senator BYRD's question sent shock waves through the Pentagon. When I read about it in the newspaper the next day, I asked my staff to get the transcript and fax it to me because I was home in my State of Iowa. I studied the exchange between Senator BYRD and Secretary designate Rumsfeld very carefully. What I heard was music to my ears.

In a nutshell, Senator BYRD was talking about the Pentagon's continuing inability to earn a clean opinion under the Chief Financial Officer's Act audit. That act was passed in 1990. So we have been down this road, now, for 10 years. I hope in most departments of Government we have accomplished something. It does not seem as if we have in the case of the Pentagon.

Under the Chief Financial Officer's Act, the Pentagon must prepare financial statements each year. Those are then subjected to an independent audit by the General Accounting Office and the Inspector General. Senator BYRD, on January 11, questioned Mr. Rumsfeld about the results of the latest Chief Financial Officer's audit by the inspector general. Senator BYRD stated at that time, and I quote from the transcripts:

> DOD has yet to receive a clean audit opinion in its financial statements.

Senator BYRD went on to quote from a recent article in the Los Angeles Times about the Pentagon accounting mess. Again, I quote from the transcript of a statement of Senator BYRD:

> The Pentagon's books are in such utter disarray that no one knows what America's military actually owns or spends.

As Senator BYRD knows, this quote contains a very powerful message. This is the message that I glean from that quote: The Pentagon does not know how much it spends. It does not know if it gets what it orders in goods and services. And the Pentagon, additionally, does not have a handle on its inventory. If the Pentagon does not know what it owns and spends, then how does the Pentagon know if it needs more money? We, as Senators, presume already that the Pentagon needs more money—because there is kind of a bipartisan agreement to that, and President Bush won an election with that as one of his key points. We need to know more, and a sound accounting system is the basis for that judgment.

Of course, that is the logic that was the foundation of Senator BYRD's next question to Mr. Rumsfeld. I will quote again from January 11:

> I seriously question an increase in the Pentagon's budget in the face of the department's recent [inspector general] report. How can we seriously consider a $50 billion increase in the Defense Department budget when the [Department of Defense's] own auditors—when DOD's own auditors—say the department cannot account for $2.3 trillion in transactions in 1 year alone.

I agree with Senator BYRD's logic 100 percent. Ramping up the Pentagon budget when the books are a mess is highly questionable at best. To some it might seem crazy. And, of course, as I said about President Bush, and I compliment him for it, he appears to be reacting cautiously to pressure to pump up the defense budget, at least to do it now. He will do it in his own deliberate way, and hopefully with the adequate information to make a wise decision of how much the increase should be.

I am encouraged by front-page stories in the New York Times on January 31, 2001, and again on February 5. These reports clearly indicate there would be no decision on increases:

. . . until the Pentagon has completed a top-to-bottom review of its long-term needs.

I think this was reiterated by the President yesterday in his message to our men and women in uniform when he was down at Fort Stewart. So this sounds good to me. I only hope the review the President is asking for includes a searching examination on the need to clean up the accounting books.

This brings me to the bottom line, Senator BYRD's very last question on January 11:

What do you plan to do about this, Mr. Rumsfeld?

This is where the rubber meets the road. What do we do? What does the Secretary of Defense do, because he is in the driver's seat on this, to clean up the books? As I said a moment ago, I have been working on this problem for a long time and I am not happy with the Pentagon's response today, even though I am happy with the response of people such as Senator STEVENS and Senator BYRD to help us get some language in appropriations bills to bring some changes in this behavior.

I think the Pentagon has a negative attitude about fixing the problem.

The bureaucrats in the Pentagon say that this is the way it has always been. And it ain't going to change—at least not in our lifetime. It's just too hard to do.

The former CFO at the Pentagon, Mr. John Hamre, compared it to trying to change a tire on a car that was going 100 miles per hour.

Well, I just can't buy that. That is not acceptable to me.

This reminds me of the football team that loses one game after another. If I were the coach, I might say: Hey, it's time to go back to basics—like blocking and tackling drills every day.

I think the Pentagon needs to do the same thing—go back to basics—like accounting 101.

I will be the first to admit that I lack a full and complete understanding of the true magnitude of this problem.

Bookkeeping is a complicated and arcane field. And it's very boring. So it does not command much attention around here.

But over the years, I have learned one important lesson about government bookkeeping. Bookkeeping is the key to controlling the money, and making sure that the taxpayers money is well spent.

Bookkeeping is the key to CFO compliance.

If the books of account are accurate and complete, it's easy to follow the money trail. That makes it hard to steal the money.

By contrast, if bookkeeping is sloppy—as at the Pentagon today, then there is no money trail. That means financial accounts are vulnerable to theft and abuse.

And that is exactly where the IG and GAO say that the Pentagon is today.

Every one of their reports shows that bureaucrats at the Pentagon fail to perform routine bookkeeping functions day in and day out.

The IG and GAO reports show that financial transactions are not recorded in the Pentagon's books of account as they occur—promptly and accurately.

They show that some payments are deliberately posted to the wrong accounts. Sometimes transactions are not recorded in the books for months or even years and sometimes never.

They show that the Pentagon regularly makes underpayments, overpayments, duplicate payments, erroneous payments, and even fraudulent payments. And most of the time, there is no follow up effort to correct the mistakes.

These reports show that DOD has no effective capability for tracking the quantity, value, and locations of assets and inventory.

Double-entry bookkeeping is needed for that, but double-entry bookkeeping is a non-starter at the Pentagon. It doesn't exist.

In sum, Mr. President, these reports show that DOD has lost control of the money at the transaction level.

With no control at the transaction level, it is physically impossible to roll up all the numbers into a top-line financial statement that can stand up to scrutiny and, most importantly, audit.

Sloppy accounting generates billions of dollars in unreconciled mismatches between accounting, inventory, and disbursing records.

Bureaucrats at the Pentagon regularly try to close the gap with ''plug'' figures, but the IG is not fooled by that trick.

Billions and billions of dollars of unreconciled mismatches make it impossible to audit the books.

As a result, each year the Pentagon gets a failing grade on its annual financial statements required by law. Each year, the IG issues a ''disclaimer of opinion'' because the books don't balance.

This brings me back to where I started.

Senator BYRD shined a bright beam of light on this very problem at Mr. Rumfeld's hearing.

I thank him from the bottom of my heart.

By asking a few simple questions, the distinguished Senator from West Virginia has stirred up a hornets nest.

I am hoping that his interest will encourage the new leadership in the Pentagon to move in the right direction.

I hope the new leadership will help the bureaucrats find some old time religion.

What I am hoping is that we can find a way to convert this inertia into a long-term solution.

But Mr. Rumsfeld has to find the will to do it.

If the will is there, the way will be found.

When I talk about going back to basic accounting 101 stuff, I am not suggesting that DOD break out old-fashioned ledger books.

Today, bookkeeping and inventory control is done electronically, using highly integrated computer systems. Large companies like Wal-Mart Stores, Inc. are famous for doing it with ease. Wal-Mart has a transaction-driven system. It is updated instantaneously when a transaction occurs at a cash register anywhere in the system.

Why can't the Pentagon do it?

I made an all-out effort to fix it two years ago.

With the help and support of the Budget and Armed Services Committees, I crafted what I considered to be a legislative remedy.

Those provisions are embodied in Sections 933 and 1007 of the FY2000 defense authorization act—Public Law 106–65.

I thought my legislative remedy would move the Department of Defense towards a clean audit, and that they would get an OK under the Chief Financial Officers Act from the inspector general and the General Accounting Office within 2 years. That was the point of my amendment.

Well, guess what. We are two years down the road, and the clean opinion is nowhere in sight.

And there is nothing coming down the pike or on the distant horizon that tells me that we will get there any time soon.

DOD simply does not have the tools in place to get the job done.

So I am hoping that the Senator from Iowa and the Senator from West Virginia can put their heads together and find a solution.

I am hoping we can work together to craft a more successful approach.

For starters, I have a recommendation to make to my friend from West Virginia.

In the near future, I would expect Secretary Rumsfeld to nominate a person to be his Under Secretary for financial management—the Comptroller and Chief Financial Officer.

This is his CFO.

This is the person responsible for cleaning up the books and bringing the Pentagon into compliance with the CFO Act.

I would like for us to sit down with this individual immediately after nomination—and long before confirmation.

I would like us to ask the same question that Senator BYRD asked Mr. Rumsfeld: Mr. Secretary, what do you plan to do about this?

First, I would expect this person to make a firm commitment to financial reform and to Chief Financial Officer's Act compliance. Second, I would not expect a final solution on the spot. However, prior to confirmation, I would expect this individual to provide us with a general framework and a timetable for reform. When can we expect to see a clean audit opinion? I will want the nominee to provide a satisfactory answer to that question.

I hope the Senator from West Virginia will think that is a good thing for us to ask the next CFO of DOD. As the new chairman of the Senate Finance Committee, I am deeply troubled by

the Pentagon's negative—I don't care—attitude towards bookkeeping. I see good bookkeeping as a constitutional responsibility of every department of Government. Taking cash out of the pockets of hard-working Americans and appropriating to an agency that fails to control it is just not acceptable. That must change.

Now, in my new position on the Finance Committee, the Senator from Iowa is responsible for legislation that authorizes the Government to reach deep into every citizen's pocket to get this money. I want to be certain that money is spent wisely, No. 1. And No. 2, I want to be sure that there is an audit trail on that money for all of us to see. That audit trail, that accounting system, that information in that accounting system on past expenditures is a very necessary basis for President Bush and Mr. Rumsfeld to make a decision of how much more the Defense Department budget should be ramped up.

I thank the Senator from West Virginia for his willingness to work on this issue. Trying to solve the bookkeeping problem at the Pentagon, earning a clean audit opinion, would restore accountability to bookkeeping at the Pentagon. This is a worthy cause.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE MILITARY BUDGET

Mr. THOMAS. Mr. President, I will continue on with a few more comments about the national security issue, which is being highlighted this week, of course, by the President.

We have talked about the most obvious issue dealing with the military; that is, having to do something for personnel. Without that, we can't have a military. We can't have defense. Furthermore, it is very unfair. We ask people in the military to serve the country, and they do that willingly. We have a responsibility to ensure that they are reasonably reimbursed and their living conditions are kept as high as possible.

Obviously, the military budget is one of considerable concern. It is the largest item in discretionary spending. We have discretionary spending of about $630 billion. Nearly half of that, $300 billion, is defense. It is very large. On the other hand, when we ask our country to defend against threats around the world —and this is not necessarily a peaceful world at this time—then we have to expect that it will be costly. We are faced with, of course—at least in the notion of many—what has been a period somewhat of neglect over the last 8 years where the military has not had the highest priority, has not had as high a level of support as many believe it should have.

Last year the uniformed Service Chiefs testified to a requirement of between $48 and $58 billion per year in additional funding above the 5-year projected budget. That is the impression, that is the notion from the military leadership of the amount of dollars that are essential. One of the things that makes that even more obvious in terms of needs is that while the military has not been supported as highly and as strongly as it might be, this administration that just passed has deployed more troops overseas than at any previous time during the same length of time. In the past decade, our active duty manpower has been reduced by about a third, active Army divisions have been cut by almost 50 percent. Not all that is bad, of course.

As the Senator from Iowa indicated, there are changes that need to be made. Certainly the economic accounting, the management of the economics in the military could stand some strengthening. I am sure that is the case. We ought to expect that kind of expenditure of taxpayer dollars. However, we do find ourselves in a state where we do need to change things. The lack of spare parts for aging systems has forced the military to take parts off of other vehicles and other airplanes and cannibalize other kinds of things. It is so widespread that personnel in the Air Force apparently spent 178,000 man-hours over 2 years removing parts from bombers and fighters and transports, some of those kinds of things that certainly do not bode well for the kind of military we, indeed, want to have.

Obviously, there are needs for change. Often bureaucracies—and frankly, the military has its share of bureaucracies—find it difficult to make change: We have always done it that way so we are going to continue to do it that way. Certainly that can't be the case with the military, as things have changed substantially.

I heard testimony this week before one of the committees that indicated there could be a good deal more cooperation and unification among the branches of the military to make it more economic. That is probably true.

One of the items that is being considered is the national missile defense. There is a great deal of interest in that. It is not a new idea. It has been around for about 20 years. It certainly has merit. If we thought we could develop some kind of an overall network of defense mechanisms, that would be a wonderful thing to do. On the other hand, there is substantial question about what the costs would be. I think there is substantial question even about the technology. It has not yet been developed.

I favor moving toward a national missile defense. I don't think we are ready to sacrifice some of the other things that we do because we are talking about doing a national missile defense.

First of all, as I mentioned, it is very expensive. We don't really know the cost. I have been to Space Command in Colorado Springs, CO. They indicated that even though they are enthusiastic about it and doing experiments, we haven't reached the technological level where it would work. I think there is a legitimate role for the missile defense soon. However, I think we are going to run into, No. 1, the cost; and No. 2, technology; and, No. 3, certainly we are going to have difficulties dealing with some other countries in terms of the agreements that we have.

I think we need to understand that, at least from what we know about it now, it is going to be a relatively limited defense system, probably based on the islands of Alaska. It will be designed to deal with rogue states that have very limited capacity but certainly have the scary capacity to put a missile in the United States, even though certainly that would not win a conflict for them. But it would do a great deal of damage to us.

I think the Space Command is working on the kind of system that would be there in case something came from a couple of the countries that are likely to be out of control in doing these kinds of things. They would be limited to defending against a limited number of reentry vehicles. They would not be able to deal with the whole issue of a major missile attack, of course.

I guess what I am saying is that we now have a nuclear capacity of our own, probably the strongest in the world. We have had it for a good long time. We deal in three areas, of course, land-based missiles, ship-to-ground missiles, and ground-to-air missiles. They constitute a very important part of our defense in terms of a deterrent. I think it is very necessary to continue to do that.

The President has talked about reducing the number of nuclear weapons. I think that makes sense. We are in the process of doing that now. We are in the process of removing some of our missiles under START I, and we are moving toward the restrictions that will be there in START II, in terms of the land-based missiles we have had over time, of course, the peacekeepers that have been multiple warhead missiles. These are being changed and replaced by the Minuteman III missiles, which would be a single warhead. We can do a good deal of reduction through this ongoing arrangement. There needs, in my view, however, to be the time START II or even START III was agreed to with the Russians, a minimum of 500 missiles that we would have, which brings us down to that 2,000 missiles that we talked about—the warheads we talked about in START I and II. We could do that. There is some talk about the idea of a hair trigger alert. There was something on TV last weekend, taken from the

command room in one of these missile silos. I have been through this, and the fact is, there is a real system for ensuring that is not a hair trigger kind of a thing. It doesn't happen unless there is approval from three different areas before that happens. But more important than anything, I think it does really take from us the day-to-day deterrent that is out there, and the idea, of course, that if you only had a few missiles, we put your missiles in that place and do away with those—when you have them spread as we do now, basically about three different places land-based, then it is possible to do that.

I guess I am encouraged that we are talking about a missile defense system, that it would be there to augment the idea of maintaining our capacity to have this deterrence. I think it is terribly important that we do that as part of our strategy. We can move forward to reduce those numbers and get down to a START II agreement. I hope we do that.

We are going to be going forward, of course, on a number of things that all have to do with budgets, all have to do, then, with surpluses and taxes. These things are all related, of course, and should be. I am hopeful, frankly, from the standpoint of the budget, that the President pursues the idea that we ought to be able to have a budget that is basically inflation increases, which we overstepped last year substantially.

Occasionally, there are areas—certainly in health care—where we are going to want to expand. But I think regardless of the surplus it is important that we try to keep Government spending under control in some way. We seem to think if there is money, we ought to spend it. I think when you go out into the country and talk to people, they are very concerned about having a Federal Government that is continuously growing, that is more and more involved in our lives. And we would like to see these kinds of activities shifted back to the States, counties, and local governments, where government is closest to the people being governed.

So when we talk about budgets, we have to look at that in terms of the tax reductions. We are finding from the other side of the aisle a good deal of resistance to returning the money that people have overpaid in taxes to the people who paid it. That is a pretty stiff argument to undertake. We need, of course, to set up spending to pay down the debt. I think we have an opportunity to deal with these things in a balanced way so we can come out of this session of Congress—if we are really persuaded as to what we want to do, I hope we may give some thought, individually and collectively, to what we want to have accomplished when this session of Congress is over. What do we want to say we have done in terms of tax relief? What have we been able to accomplish? What do we want to say we have been able to do in terms of controlling spending? What are our goals in terms of paying down the debt?

I think these are some of the things we talk about a great deal. We talk about them kind of independently and, obviously, everybody has a different idea, and that is legitimate. It seems to me that we ought to be able to establish fairly and collectively some goals, some vision of where we want to be, what we want to have accomplished when these 2 years are over, and then be able to measure the things we do against the attainment of those goals.

Unfortunately, I am afraid that, from time to time, it is not always the measurement of individual actions as to how they contribute to overall attainment. Will there be agreement on all of those things? Of course not. That is the nature of this place, the nature of any group that makes decisions. They don't all agree. They have different views and values, and we have to deal with that. There is nothing wrong with that. But we do want to be able to move toward accomplishing those things that we believe are good for the country, good for the long-term merits, and that, it seems to me, is our challenge.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

NATIONAL DEFENSE

Mr. BENNETT. Mr. President, I understand there have been speeches given this morning with respect to the military and the decision by President Bush to take a very serious look at what is happening in the military—a pause, if you will, in the funding and planning until we get our hands around exactly where things are.

I want to comment about the wisdom of that particular approach. If I may, I want to go back to the most inconsequential military career perhaps in the history of America—my own. It will demonstrate what happens in the military and demonstrate the power of inertia because once something gets started in one direction, it continues in that direction until some outside force is put upon it. That is not just Newton's law of motion; that is the law of motion in government as a whole.

I went into the military in 1957. I joined the Utah National Guard and was sent on active duty for training, first to Fort Ord, CA, and then, because my Guard unit was in the artillery observation business, to Fort Sill, OK.

I went to Fort Sill, OK, to be trained in sound ranging. If that does not mean anything to you, Mr. President, I would not be surprised because sound ranging is a military skill that reached its apex of applicability in World War I. It had some applicability in World War II, very little in Korea, and virtually none in 1957 when I was trained in it.

But the inertia of the military organization was such that no one had reviewed the pattern of training people in sound ranging. So going forward, as a body in physics, moving in the same direction, it continued in the same direction. I and my fellow classmates were put through a program on sound ranging.

As it happened, I graduated first in my class. That is not as big an achievement as it might sound because I was the only member of the class who had been to college. I was a college graduate; the others were draftees who were high school graduates; and if I had not finished first, it would have been a disgrace.

Having finished first, once again the pattern of inertia in the military decreed that I should become an instructor and that the next sound ranging course that would go through Fort Sill, OK, would be taught by me. This is very flattering, except that my time on active duty with the National Guard would expire before the next class would convene.

I spent the remainder of my time in the day room, or at the post library, or doing other things because there was absolutely nothing for me to do. At the time I wondered: Doesn't anybody review these things? Doesn't anybody look at this and say: Wait a minute, this is a program that has long since outlived its usefulness, should be stopped, and we should just forget this?

No, nobody did. I got so bored, I went in and volunteered to teach other classes and had to go back to school, if you will, on my own time to learn logarithms so that I could teach that mathematical skill to the surveyors in the school. Basically, this was the least distinguished and least significant military career in American history, but it demonstrates what happens when we allow inertia to take over. We allow the military to go forward in one direction, and we do not ever stop and say: Wait a minute, are we doing the right thing?

Summarizing it another way, there are some historians who say the generals always fight the last war; they are always prepared for the last battle, not the battle that is to come.

The cold war is over. That is a cliche. Like most cliches, it happens to be true. Much of our military is geared towards fighting the cold war. Much of our military is geared towards a circumstance where the military commanders involved are comfortable with the way things are going because they are the way things have been.

The idea that there should be a careful look at where they are and a reassessment of the direction they are taking is a little bit threatening; it is unsettling; it implies uncertainty. The one thing many military men hate worse than anything else is uncertainty.

As I was going through the airport, flying back for this week's session, a book caught my eye. Tom Clancy is the author. We all know Tom Clancy. The reason it caught my eye was his mention of a military officer who had helped him write the book, a man named Chuck Horner. I met Chuck Horner when he was the commander of the U.S. Space Command, a four-star general located in Colorado Springs. He was the commander of the air war in the gulf. He was the top Air Force officer with respect to the Gulf War.

I found him fascinating, and when I saw his name on the cover of this book written by Tom Clancy, I decided to buy the book because I wanted to learn more about General Horner.

The reason I found him fascinating, among other things, was this statement he made to me during the time I spent with him. He said: The Gulf War was the first war fought from space. Tanks got positioned by virtue of instructions that came from space. Colin Powell said this is the war where the infantryman goes into the field with a rifle in one hand and a laptop in the other. Even that is now obsolete because he would take a palm pilot instead of a laptop; a laptop would be too cumbersome.

The Army, with its current advertising campaign, is beginning to talk about that. I am not sure it is the right advertising campaign—every soldier is an army of one—but it demonstrates how vastly changed things are.

Against that background where those things not only have changed but are changing, doesn't it make sense for the Secretary of Defense to say it is time for us to pause in the direction we are going in our procurement, in our threat assessment, in our strength establishment, and look toward the kind of military we are going to need in the future? Isn't it time for us to take a break when we do not have an immediate military threat and reassess from top to bottom everything we are doing?

I think it demonstrates the maturity of the Bush administration that Secretary Rumsfeld is engaged in this kind of activity. I think it demonstrates that the Bush administration has a very long-headed view of life; that they are not looking to this week or next week; they are not looking to the current polls; they are not looking to what might work in terms of a special interest group that has an attitude toward the military; they are saying: What does America need for the next decade? What kind of long-term decision can we make that will make America prepare for the different kind of threat we are facing? I think it means a military that will very quickly say we don't need any sound ranging classes, and we don't need any people sitting around with nothing to do. There is far too much to do in terms of planning and training and direction. I applaud President Bush for this decision, I applaud Secretary Rumsfeld for carrying it out, and I wish to make it clear that this Senator will do everything he can to support and sustain this effort.

I yield the floor.

RECESS UNTIL 2:15 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 12:31 p.m, recessed until 2:14 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. INHOFE).

ORDER OF PROCEDURE

The PRESIDING OFFICER. Under the previous order, the time until 2:45 p.m. shall be under the control of the Senator from Illinois, Mr. DURBIN, or his designee.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent to address the Senate in morning business for no longer than 15 minutes.

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

(The remarks of Mr. SMITH of New Hampshire and Mr. KYL pertaining to the introduction of S. 305 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. Under the previous order, the time until 3:15 shall be under the control of the Senator from Wyoming, Mr. THOMAS, or his designee.

The Senator from Arizona.

NEED FOR MILITARY IMPROVEMENTS

Mr. KYL. Mr. President, I would like to turn my attention this afternoon to something a little bit more immediate in terms of the Senate's actions. We all saw the news yesterday of the President's visit to Fort Stewart in Georgia. In fact, I spoke with a colleague of ours who had been with the President on that trip. She talked about the rather sorry state of the military barracks she visited, and the need for improvements to the military quality of life all around the country, exemplified by the President's visit to Fort Stewart.

As a result of his visit, the President has made some very forward-leaning announcements about improvement of the quality of life, including $5.7 billion in new spending—$1.4 billion for military pay increases, $400 million to improve military housing, $3.9 billion to improve military health benefits, $5.7 billion on new spending for the people in our military. I am certain that part of that will have to come through a so-called supplemental appropriations bill.

For those who are not totally familiar with the work of the Senate, ordinarily at about this time of the year, the Senate has to provide some infusion of cash to the military because of unforeseen expenditures and some that really were not so unforeseen but which were not budgeted for. For example, we know we will have to be in Bosnia and Kosovo and some other places in the world. Unfortunately, the previous administration never budgeted for those operations in advance, so the military had to pay for those operations out of hide.

They had to not buy certain spare parts, not sail ships during certain hours, not provide for maintenance of facilities and installations, deferring that for a later day, and use the money instead to support these operations abroad. Each year, we have had, therefore, a supplemental appropriations bill. Basically, the bill comes due. It has to be paid one way or another, sooner or later. We will have to do that same thing this year.

The President has decided to wait a little bit to make sure he knows exactly how much is needed. By the way, I hope President Bush will say to the Congress: I found out that we need exactly—and then give us the number. Let's assume it is $5 billion, for the sake of argument—I would like the Congress to provide $5 billion in supplemental appropriations to get our military through the end of the fiscal year. That is how much we need, and I will veto a bill that is a dollar less or a dollar more.

In other words, this should not become a Christmas tree for everyone's favorite project. I urge the President to give us an exact figure and tell us it is on our shoulders to pass that supplemental appropriations bill for him, for the military, and to reject any change we may make, therefore, removing the temptation some of our colleagues have to load those bills up with things that don't really pertain to necessities for the military.

I also want to suggest that we are going to need that supplemental appropriations bill not just for the quality of life of our military but for readiness. Certainly, the Presiding Officer knows this better than almost anybody in this body. Readiness has suffered during the last several years through a combination of two primary circumstances. One, we are deploying troops far more frequently and far-flung around the world than in the past. Two, we have cut the spending year after year, so we don't have the equipment in top shape to send where we need to send it, when we need to send it. Our troops are overstressed. The net result is readiness

has suffered. We would not be able to go tomorrow where we need to in the world with the same degree of confidence we were able to muster, say, a decade ago when we went to the Persian Gulf.

I think a few statistics are interesting. The lack of spare parts forced our military to cannibalize systems to keep things working. GAO found in 1999, ''cannibalization was so widespread in the Air Force that maintenance personnel spent 178,000 hours over 2 years removing parts from bombers and fighters and transports to put into other planes.''

I was at Luke Air Force Base in the western part of the Phoenix area not long ago and was told of the 100-plus planes they had there—roughly 10 percent were F–16s, by the way, the top of our fighter line—were being used for cannibalization. That has gotten some better. That illustrates we are cannibalizing our equipment, and we know that is the beginning of the end, in terms of readiness.

The Navy, the same thing. We could go through all the different services. I won't take the time to do that. These cannibalization rates, not only in the Navy, have doubled in the last 4 years, but the problem is most acute among the jet aircraft that are most in demand.

I think there is a broad consensus that we need to be improving our readiness and that those are bills that need to be paid now, equipment that needs to be purchased now. We can't wait until the beginning of the next fiscal year, which is not until October, this fall sometime. I hope when the President sends his supplemental appropriations request to us, it will include both the personnel quality of life needs he has already announced, which I think all of us will support very strongly, and in addition to that some immediate needs to improve our readiness. I was going to say ''ensure'' our readiness, but the fact is, we can't do enough in supplemental appropriations to ensure readiness. We can just begin to get to the point where we have the state of readiness we really desire.

The Joint Chiefs of Staff, the Congressional Budget Office, and various independent analysts from groups such as Brookings Institution and the Center for Strategic and Budgetary Assessment and former Secretaries of Defense, such as Harold Brown and Jim Slessinger—all of these groups and individuals, and many more, have come to the conclusion that we are going to need to increase defense spending over the next several years, and we are going to have to do it fairly dramatically.

I applaud the administration's efforts to examine what we really need, what we can do without, and how we are going to structure our forces to meet the new challenges of the 21st century. It is time to get out of the old thinking and keep putting money into the same old weapons projects.

That said—and we all understand the need for this review—it is also true that at the same time we are doing that review, we can and should be doing things to improve our military, things we know need to be done; and whatever we are going to be doing in 5, 8, 10 years, we know we will need additional funding to support the troops during the next 5, 6, 8, 10 years.

So it is not a matter of either/or, or first we do a review and then decide how much to spend. We know we need to spend some money now and we also need to reevaluate our long-term strategy so we can better fix our spending for the future.

For those who say we can't do anything until all of that is done, I say listen to those who are expert, who have testified to this in the past, the Joint Chiefs and staff and others, who understand our military requirements right this minute. We are not talking about buying new weapons systems that have to be reevaluated. Let me make it clear that I support President Bush's desire to reevaluate every one of these weapons systems. I have severe doubts about whether some of the most expensive systems we have on the drawing board really need to go forward. But we also know, in the meantime, we do have needs, unmet needs, which can only be satisfied through an increase in defense spending.

That is why I think it is important for us not only to pass the supplemental appropriation at the time the President sends it to us but also to put together very soon a budget for the Department of Defense which meets some of these short-term needs.

Essentially, my bottom line here is the military, the armed services don't have the luxury of waiting until the end of a review to meet some of the needs of today. That is my primary point.

I talked about a dual problem. One problem is the degree of deployment, the number of overseas missions assigned to our military, increased by just under 300 percent during the previous administration, with President Clinton deploying our forces on such missions 40 times compared to 14 times under former President Bush, and 16 times under Reagan. The readiness problems have resulted from that, plus spending not keeping up with the needs.

Just a couple of further illustrations of the problem. A recent article in Defense Week quotes at length from an internal Navy audit into the readiness of F–14 squadrons, which are suffering from this combination of high operational tempos and insufficient funding. One of the quotations from that audit is that, ''more and more, forward forces are short on planes, munitions, spare parts, and training time. This could result in F–14 squadrons being at high risk while engaging the enemy, an unnecessary loss of life and property, and failure to achieve U.S. policy goals.''

That is pretty serious. When that degree of risk is upon us today, we can't wait until tomorrow to put the funding into the military budget to make up for the shortfall in the short run. We have not budgeted for expenses such as our efforts in the Balkans, as I pointed out before. That ought to be budgeted in the general budget and not have to come to us each year in a supplemental appropriation.

Unless we are able to infuse this kind of money into the defense budget very quickly, then the Navy is going to be forced to cut its flying hours; the Air Force is going to have to make adjustments that will erode its readiness, including flying hours, maintenance, air crew proficiency, aircraft maintenance and repair, not to mention that spare parts and fuel shortages are going to be required to be rectified if we are going to have a high state of readiness during the interim period between now and the time the new force the Bush administration is talking about comes into play.

Mr. President, there is something else we are going to have to do, and that is to begin doing the kind of research that will be necessary to effectuate President Bush's new plans. He asked for a review of these military programs by experts in the Pentagon and outside who will come to him with some very bold ideas, I predict; and they are going to call for modernization of the force, the use of the most recent technology, the application of that technology in ways that we haven't even dreamed of up until now. But unless we are willing to put money back into research and development, as we used to do, we are not going to be able to effectuate these plans. They are going to look great on paper, but we are not going to have the ability to do it. Why? It takes skilled people in place. Unless these people believe they have a future, they don't sign up for these particular kinds of jobs. The contractors themselves can't wrap up with a group of people and facilities to do something for which there is no contract and no hope of a contract.

You cannot just make this appear out of thin air. That is why we have to begin planning today for the defense budget for this coming fiscal year to begin to reestablish a robust research and development program that will be able to service the budgetary requirements that are going to come from the administration in the creation of its new technological military for the 21st century.

We have been eating our seed corn in this regard over the last several years. Again, the Presiding Officer knows better than most in this body that we have cut research and development way back in order to put some money into quality of life and to keep our forces as ready as we can possibly keep them. The result of that has been to reduce drastically the amount of money available for our research and development.

That is an area where we are going to have to add to the budget that comes before the Congress this year, and if the administration, frankly, is unwilling to do that, then the Congress has to put that money in the budget so when the President needs those people and those facilities to begin developing these new high-tech products, we will be able to respond to that call.

There are some other areas in which we are going to have to add money to the budget. I spoke this morning with respect to missile defense. It is very clear we are going to be making some decisions early on in this administration to proceed with the development of missile defense. I applaud the administration's desire to reevaluate the exact components and structure of that defense because, frankly, I do not think the way the Clinton administration was thinking about doing it was the best. It was rudimentary; it was vulnerable; it was effective only in an extraordinarily limited sense.

As a first step, it might just be fine, but we are going to have to reevaluate how to put this together and undoubtedly expend funds for research and development, as well as deployment of these systems. That is not going to happen without money in the budget.

When opponents of missile defense say it is going to cost a lot of money, they exaggerate about how much, but they are right about one thing: We are going to have to put more money in the budget for it, more money than has been in the budget in the past. As a result, the budget we put together and send to the President—and I hope the budget the President puts together for our review—will include additional support for ballistic missile defense, especially in an area which has been robbed in the past, and that is the seabased missile defense.

Mr. President, you may have been one of our colleagues—I believe you were—who supported a lawsuit that I filed against the Secretary of Defense several years ago for refusing to spend money that the Congress authorized and appropriated for specific missile defense programs, specifically, the seabased systems of the Navy and the THAAD Program of the Army. The Secretary of Defense at that time said: I understand that you have appropriated and authorized this funding, but I am not going to spend the money.

Subsequently, he began to spend a little bit of it. That, plus the fact that money that which had been in those programs was taken from those programs and applied to other programs, has instead resulted in a severe underfunding of these missile defense programs.

These are theater missile defense programs, and the Navy program especially has been robbed and shortchanged. Unless we are willing to put money into the budget to ramp those programs back up to where they should be, we are not going to be able to deploy the Navy portion of the missile defense system as we should. The irony is that if we put the money into the budget—and it takes a relatively small amount; my guess is over 4 years about $1.5 billion as an add-on will do the trick—if we were to put that kind of money into the budget, we could actually deploy a Navy missile defense system sooner and more effectively than a land-based system. In any event, we have the two to complement each other. The bottom line is we are going to have to put more money into the missile defense part of the budget.

Finally, there has been a suggestion the Department of Energy's defense weapons component of the budget is going to have to take a big hit. That, too, is a big mistake because when the proponents of the Comprehensive Nuclear Test-Ban Treaty said we really have a substitute for testing, it is called the Stockpile Stewardship Program, I raised several questions. First, we are not going to know for more than a decade whether it is going to produce results.

Second, I predicted Congress' desire to continue funding for this program would wane over time. I have been the second staunchest supporter, by the way, of funding after our colleague, Pete DOMENICI from New Mexico. Sure enough, now there is a suggestion that the Stockpile Stewardship Program should be shorted some funding.

You cannot have it both ways. You cannot argue on the one hand we do not need to do any testing and on the other hand we need to change the Stockpile Stewardship Program.

These are three specific areas I mentioned: the need for research and development, the need for proceeding with the sea-based missile defense system, and the need for stockpile stewardship, all of which are going to require more, not less, funding of the defense budget. That is why at the end of the day, we are going to have to be willing to add money to the defense budget, and if that means it is prior to the administration's determination that funding is necessary, I say so be it; it is going to be necessary. Then we are going to have to get behind the President and support his long-term projects, which I know will, in the end, provide a very robust defense for the United States but which, in the meantime, we are going to have to be very watchful of with respect to the readiness both today and the preparation for that day that the new force of the 21st century has been developed.

These are all matters we will discuss further in the future, but I think they are an important element in discussing this week the President's plan to strengthen our national security to ensure that our military remains the strongest in the world, capable of doing everything we ask of it. I know the President would demand no less.

I thank the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I know our time is to run until 3:15 p.m. I ask unanimous consent that I be given 15 minutes in morning business.

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

Mr. INHOFE. Mr. President, I have been listening with a great deal of interest to you, the Senator from Arizona, as well as the Senator from New Hampshire. I do, as you mentioned, chair the Armed Services Subcommittee on Readiness. The Subcommittee on Readiness has jurisdiction over training, military construction, the BRAC process, and a few other things.

It is important during this debate that we say it in terms of reality to get the attention of the American people. Since 1996, I have been saying that we in the United States of America are in the most threatened position we have been in in the history of this country. Many people do not believe that. Many people shrug their shoulders and say: This is not true, we are the strongest in the world.

Yes, we may be the strongest in the world at this given time, but with the number of threats, it is questionable whether or not we would be able to defend ourselves adequately, certainly not meet the minimum expectations of the American people, which is defend America on two regional fronts.

When I make this statement that we are in the most threatened position—we had before our committee less than a year ago George Tenet, who is the Director of Central Intelligence and the man who knows more about threats than anyone else in this Nation who was, incidentally, appointed by President Clinton. I asked George Tenet that question: Is it true what I have been saying since 1996, that we are in the most threatened position we have been in as a nation? He said: That's exactly right. That is from George Tenet.

The reasons we are are threefold. It has been said on the floor but not put together in one thread.

First of all, the obvious is that we are at one-half the force strength we were in 1991 at the end of the Persian Gulf war. What I am saying is we are one-half the force strength—that can be quantified—one-half the Army divisions, one-half the tactical air wings, one-half the ships.

Talking about ships, we were cut down from a 600-ship Navy to a 300-ship Navy. We saw the tragedy that took place in Yemen with the U.S.S. *Cole*. When you stop and think about it, some of the ships that were taken out when we downsized the Navy were the oilers, the tankers that refuel our ships at sea.

We send our fleets from the Mediterranean, through the Suez Canal, down the Red Sea, turn left and go up the Arabian Sea to the Persian Gulf. That is 5,000 miles. We have to have refueling capacity.

After the Yemen tragedy, I could not find one vice admiral who did not say if we had not taken out of service at least two of those refuelers, we would have

refueled at sea, and those sailors would be alive today. We are at one-half force strength. At the same time, we have more than tripled our number of deployments around the world. I might add, these are places where I contend we don't have national security strategic interests at stake.

In November of 1995, in this Chamber, we were debating whether or not to go into Bosnia. We said on this floor, it is easy to go in; it is hard to get out. We had a resolution of disapproval. It wasn't until President Clinton said: I guarantee if you vote down that resolution of disapproval, we will send the troops over there and they will all be home for Christmas, 1996. Guess what. They are still there.

It will be very difficult to get them out if the same thing happened in Kosovo. Regarding the threat in the Persian Gulf, just to handle the logistics of a war if it should break out in the Persian Gulf, we would have to be 100-percent dependent upon our Guard and Reserve to take care of the defense of this Nation. This is very difficult because the Guard and Reserve components also are down in numbers because of the retention problems we have.

That is serious. When you take that and the number of deployments, along with one-half force strength, the third component is we don't have a national missile defense system. Sometimes, I say it is handy not to be an attorney in this body because when I read the ABM Treaty that was passed, introduced by the Republicans, back in 1972, between two great superpowers, the U.S.S.R. and the United States, I contend that doesn't exist anymore. Yet that is the very thing that has been used for the last 8 years by our previous President to keep us from deploying a national missile defense system.

In 1983, we made the decision we were going to put one into effect. We were online to do that until this last administration came in.

Next, I think it is important to realize this euphoric assumption that many have—and the press does not discourage this notion; it might be our force strength is down, our deployments are up—we don't have a national missile defense system, but there is no threat out there in terms of a national missile defense. Virtually every country out there has weapons of mass destruction. Many countries have missiles that will reach the United States of America.

Take China, for example. If they fired a missile, it would take 35 minutes to get here. We have nothing in our arsenal to stop that missile from hitting an American city. Compare my State of Oklahoma and the terrible disaster, the tragedy that took place. The smallest nuclear warhead known to man is 1,000 times greater in explosive power. Think about that. China has missiles that can reach here. Do other countries besides Russia, North Korea, and China have the missile? We don't know for sure. They are trading technology and trading systems with countries such as Iran and Iraq, Serbia, Libya, Pakistan, and others. The one thing they have in common is they don't like us. We have a serious problem.

We don't have the modernization people think. I heard people say: At least we have the finest equipment in the world.

I was proud of Gen. John Jumper not too many months ago when he came out and said: Right now we don't have anything in our arsenal as powerful in terms of air-to-air combat as the SU–27 and the SU–37. It is my understanding, if we go on with the SU–22, it is not as good as the SU–37 they are building today.

Look at our training and retention. We see our pilots leaving. We see our midlevel NCOs leaving. I talked to pilots at Corpus Navy. Forty pilots said: It is not the competition outside; it is not the money. This country has lost its sense of mission. We are not getting the training we need.

Our Air Force pilots cannot go into the desert and have red flag exercises because we don't have the money to do it. The Senator from Arizona talked about not having bullets, ammunition. We don't have bullets and ammunition. RPM accounts, the maintenance accounts, are supposed to be done immediately.

I was at Fort Bragg the other day in a rainstorm. Our troops were covering up equipment with their bodies because we don't have the money to put a roof on the barracks down there. Our equipment is old. We found some M915 trucks had a million miles on the chassis. They were in bad repair.

We see the cannibalization rate at Travis—C–5s sitting in the field with rotting parts. It is very labor intensive to get the parts back on and to uncrate new parts and replace them. In many areas, our mechanics are actually working 14 to 16 hours a day. Our retention is down.

I can think of nothing more significant at this time than to start doing exactly what our new President said he would do when he was on the campaign trail; that is, assess the problems we have now and how can we put ourselves back into position, where, No. 1, we can adequately protect America from an incoming missile.

As the Senator from Arizona said, we might have tried the same thing with the sea-based AEGIS system. We have $50 billion invested in 22 AEGIS ships, but they cannot reach the upper tier. It costs little to get them up to knocking down incoming missiles and they can protect the troops in North Korea and both coasts in America. The opportunity is there.

I wish we had proceeded with this 10 years ago. I believe we are on the right step. The single most significant thing we can do as a Senate and Congress and the President of the United States is to rebuild our defense system, to satisfy the minimum expectations of the American people; that is, to defend America on two regional fronts.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from Massachusetts.

Mr. KENNEDY. I thank the Chair.

(The remarks of Mr. KENNEDY pertaining to the introduction of S. 310 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 311 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

THE RETIRED PAY RESTORATION ACT OF 2001

Mr. REID. Mr. President, each day in America 1,000 World War II veterans die. Seven days a week, every day of every month, thousands of World War II veterans die. It is with this background that today I am going to be talking about legislation which I introduced a short time ago.

On January 24th I sponsored S. 170, the Retired Pay Restoration Act of 2001. This bill addresses a 110-year-old injustice against over 450,000 of our nations veterans. Congress has repeatedly forced the bravest men and women in our nation—retired, career veterans—to essentially forgo receipt of a portion of their retirement pay if they happen to also receive disability pay for an injury that occurred in the line of duty.

We have, in America, a law that says if you are a career military person and you also have a disability you receive while in the military, when you retire you cannot draw both pensions. If you, however, retire from the Department of Energy, or you retire from Sears & Roebuck, you can draw both pensions, but not our dedicated service men and women. They cannot draw both pensions. That is wrong. That is what this legislation is trying to correct.

The reason I did it on the background of a thousand men dying every day is because we have to do something before it is too late for those people. We have many World War II veterans who

spent a career in the military. They were in the military and received a disability. In all of these years, they have only been able to, in effect, draw one pension. That is wrong.

S. 170 permits retired members of the Armed Forces who have a service connected disability to receive military retirement pay while also receiving veterans' disability compensation.

Last year, I along with Senator INOUYE, introduced S. 2357, the Armed Forces Concurrent Retirement and Disability Payment Act of 2000. I was extremely disappointed that we did not take the opportunity to correct this long-standing inequity in the 106th Congress.

Out of 100 percent of what we should have done last year, we did 1 percent. We did very little.

I urge my colleagues to support this legislation. Memorial Day is just over one hundred days away. There is no better honor this body could bestow upon our nations veterans who have sacrificed so much, than to pass this legislation before Memorial Day.

We are currently losing over one thousand WWII veterans each day. Every day we delay acting on this legislation means that we have denied fundamental fairness to thousands of men and women. They will never have the ability to enjoy their two well-deserved entitlements.

Given the tax and budget debate we are now in, I am gravely concerned that we will not have the resources that will be needed to properly fund this legislation and honor those who served our nation—our veterans.

President Bush rightfully this week is focusing attention on the U.S. military. It is very important that he do that. I think the way he is approaching things appears to me to be very reasoned. He is saying we are going to keep Clinton's budget in effect this year until we have a chance to really understand what is happening. But he ordered Secretary Rumsfeld to take a close look at it.

One of the things I want him to take a close look at is not only the readiness of the military and what happens to those people who have already served in the military, but I also say that it is very important that everyone recognize we do need and deserve and will have some kind of a tax cut. But we have to be aware of the fact we are basing these proposed tax cuts on uncertain forecasts. We are forecasting 10 years in the future.

A few days ago here in Washington they forecast morning temperatures in the midforties. Most mornings I get up and take a little run. So I was kind of happy that we were going to have a break in the weather. The forecast was it would be kind of warm. I got up, put on shorts and a T-shirt. Out I went. It was 33 degrees. There is a lot of difference between 40 and 33. I was real cold. I say that because people can't forecast very well the weather 1 day ahead. I think we who are depending on the economists to forecast 10 years ahead must approach this with caution. I know we will do that.

We also have to be sure this tax cut is proper in size. We have to make sure we do not take away from debt reduction and that we take care of Social Security and Medicare.

Also, in addition to these projections, and the size that we are talking about with this tax cut, we want to look at fairness. Are we approaching this in the right way? Is it really appropriate?

This is in the form of a question and not a statement. Is it really appropriate that the top 1 percent and the wealthiest 1 percent get 43 percent of the tax cut? They pay a lot of the taxes—about 20 percent of the taxes. I think there has to be a debate, once we determine the projections, about the size of this tax cut—what we are going to do and how we are going to distribute that?

I was home this past weekend. Most Americans—in fact 80 percent of Americans—pay more in withholding taxes than they do in income taxes.

I also say this: The business community is concerned the tax cuts are not directed toward them but, rather, individuals. We have to make sure the tax cut we come up with is fair. As I said, this Senator supports tax cuts for all Americans. I think we have to make sure these tax cuts protect Social Security and Medicare and that we have some money left over to invest in health, education, and things such as my taking care of veterans.

Of course, for me, the biggest tax cut the American people can get is to recognize if we pay down that debt, everybody gets a tax cut. The magnitude of the tax cut that President Bush is pushing we hope will not eliminate any ability of increased funding for veterans. This is going to cost money, but it is going to cost money that is one of the fairest ways we could spend some of the surplus.

I say to President Bush: We should not leave our veterans behind. I say to Members of this Congress: We should not leave our veterans behind. Our veterans have earned this and now is our chance to honor their service to our Nation in a different way. I will work very hard to ensure that our Nation's veterans receive the dividend of our current surplus. Specifically, we have to have a fiscally responsible tax cut that allows us to protect Social Security, provide a prescription drug benefit, fund education, ensure a strong and stable military, and continue to pay down the debt.

Today, over a million and a half Americans dedicate every minute of their lives to the defense of this Nation. The U.S. military force is unmatched in the history of the world in terms of power, training, and ability, and this Nation is recognized as the world's only superpower, a status which is largely due to the sacrifices our veterans made during this last century. So rather than honoring their commitment and bravery by fulfilling our obligations, the Federal Government has chosen instead to perpetuate a 110-year-old injustice. Quite simply, this is wrong. It borders on being disgraceful.

I hope everyone within the sound of my voice will join in honoring these veterans who deserve what they have earned. They are not asking for a handout. They are asking for what they deserve. They have disabilities. They have fulfilled their commitment in the military and are subject to that retirement.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I say to my friend from Kansas, how long does he wish to speak?

Mr. BROWNBACK. Five minutes or less because I preside at that point in time.

Mr. REID. Senator BOXER has made a request through me and I ask this of the Chair. I ask unanimous consent that she be allowed to speak at 4:20 p.m. for 25 minutes.

The PRESIDING OFFICER. Is there objection to Senator BOXER speaking for 25 minutes?

Without objection, it is so ordered.

The Senator from Kansas is recognized.

(The remarks of Mr. BROWNBACK pertaining to the introduction of S. 315 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

SUPPORT FOR THE DEFENDERS OF OUR NATION

Mr. BROWNBACK. Mr. President, on July 27, 1920, in a speech before the Republican national convention in Chicago accepting his party's nomination for Vice President, Massachusetts Governor Calvin Coolidge exclaimed, ''The nation which forgets its defenders will be itself forgotten.'' With these striking words, Coolidge chastened the convention delegates to never take lightly the sacrifice of American soldiers, who during World War I, left freedom's shores to defend democracy abroad. Back then, Coolidge recognized that a great country must honor its guardians, lest it be forgotten.

This week, President George W. Bush has come forward under the same banner as Coolidge did in 1920, to declare that America must not forget its defenders. In a speech before the brave men and women of the United States Army's 3rd Infantry Division at Fort Stewart Georgia, President Bush proposed $5.7 billion in new spending for the soldiers, sailors and airmen of the Armed Forces. Specifically, the President has proposed dedicating $400 million for across-the-board pay raises, $1

billion for re-enlistment bonuses, $3.9 billion for improving military health benefits, and $400 million to improve military housing. I applaud the President on this brave and honorable proposal.

I find it appalling that before the President announced this proposal many were criticizing his decision to temporarily freeze program spending at last year's appropriated levels. When the President ordered the Secretary of Defense to conduct a thorough review of Pentagon weapons programs before proceeding with any requests for supplemental funds, he was attacked in the press for breaking his campaign promise to ''bolster our national defense.'' I find such assertions to be not only mean-spirited, but also misguided.

Make no mistake, newer and better weapons systems are crucial toward maintaining our national defense. We live in a world where we face real and present hostilities. Rogue nations are becoming increasingly capable of striking America's shores, and I look forward to the debate we will have in the Senate this year about building ballistic missile defense systems, and other ''next generation'' weapons to counter these terrors. However, I fully realize that without qualified men and women trained in the use and support of these systems, we are merely left with empty threats to counter these real hostilities.

Human beings are the driving force behind our national security. Tanks, ships, and fighter jets do not win wars. Soldiers, sailors, and airmen do. Arlington does not honor the memory of our greatest weapons. Those hallowed grounds are sacred to the memory of the men and women who have laid down their lives using and supporting those weapons. Concern for the individuals who proudly serve our Nation as soldiers should always be our first priority when we debate our national defense policies. By proceeding first to the need of the soldiers ahead of the need for new weapons, President Bush has demonstrated he has his priorities straight and I pledge my support for his proposal in the U.S. Senate.

The bond between a soldier and his nation must be reciprocal. The United States must rely on soldiers to defend against her enemies, and, for over 225 years, these soldiers have never failed. However, we do not always recognize the fact that the favor often goes unreturned. Far too often throughout our history the United States has relied on the defense of the soldier, while failing, in turn, to defend the soldier against their own enemies.

The enemies of our soldiers are low pay, substandard housing, and second class health benefits. No one would deny that all of our citizens are in perpetual need of a good wage, a good home, and good health care, and yet, we often act as if our soldiers are in need of less. Addressing the New York State Legislature in 1775, General George Washington reminded the legislators, ''When we assumed the Soldier, we did not lay aside the Citizen.'' Our citizens, on becoming soldiers, have not left want and need behind. It is our duty to afford them with means to not only survive, but to also thrive. We can afford no less. Freedom is never free.

Mr. President, again, I commend President Bush for coming forward and declaring the need to support the defenders of the Nation. Again, this week, President George Bush came forward under the same banner as Calvin Coolidge did in 1920, to declare that America must not forget its defenders. In a speech given to the Army's 3rd Infantry Division at Fort Stewart, GA, President Bush proposed $5.7 billion in new spending for the soldiers, sailors, and airmen in the armed services. Specifically, the President has proposed dedicating $400 million for across-the-board pay raises, $1 billion for reenlistment bonuses, and other benefits to the men and women in uniform.

I end my comments by saying that this is long overdue. We have several military installations in Kansas. We, unfortunately, have people in our armed forces who are not well paid and not paid near enough for the job they are doing. It is past time for us to step forward and pay our men and women in uniform sufficiently for the work they do.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. BOXER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mrs. BOXER. Mr. President, I wonder if you would be so kind as to tell me when I am down to 5 minutes remaining in my 25 minutes.

The PRESIDING OFFICER. The Chair will do so.

TAX CUTS

Mrs. BOXER. Mr. President, we are faced with a tremendous choice in America, and that is whether we want to continue with policies that led to an 8-year recovery of our economy which was flat on its back and go with those policies of fiscal responsibility and fairness and investment or go back to the days of what was called trickle-down economics, where the very wealthy got the most, the rest of us got very little, the deficits soared, the debt soared, our country was in trouble.

I represent, along with Senator FEINSTEIN, the largest State in the Nation. We have 34 million people. We had a recession that was second to none. It was the worst recession since the Great Depression. It took us a long time to come out of that. We had double-digit unemployment. We had a terrible situation. But because we followed, in this Government, finally, a policy of fiscal restraint, we got back on our feet and people have done very well. That is why this discussion about the proposed tax cut by our new President, versus the tax cut that will be supported by the Democrats, is such an important conversation.

Last week, President Bush submitted a tax cut plan to the Congress. It was not detailed, but it was a plan. It was like a brochure in which he laid out his vision of a tax cut. He outlined in it a $1.6 trillion tax cut plan. I have to say, and I hope people will listen, this tax cut is not compassionate and it is not conservative.

We remember when President Bush ran he ran as a compassionate conservative. So we get his very first proposal—actually it wasn't his first. His first one was to interfere with family planning throughout the world and put a gag rule on international family planning groups that help poor women get birth control. But for this purpose, it is certainly his first fiscal policy. It is neither compassionate nor is it conservative. What do I mean by that?

First, it is not compassionate because it benefits the very wealthy instead of the 99 percent, everyone else; that is, those in the middle class, either lower or upper. It helps the very wealthy.

His plan is not conservative because it does not do the smart, conservative thing of being cautious with the projected surplus. I said ''projected surplus.'' As Democratic leader DASCHLE has said, these projections are like the weather forecasts: Don't count on them because they change. They are not dependable. So the conservative thing to do is to have a rainy day fund, if you will.

Let me go into detail on why I say this plan is not compassionate. I have told you it benefits the wealthy. Mr. President, 31 percent of all families with children would receive nothing. If you are among the bottom 20 percent of Americans in terms of income, you get an average cut of $42. This is the way the tax cut of President Bush breaks down, and you tell me if it is compassionate. If you are in the lowest 20 percent of earners; that is, earning less than $13,600, you will get an average tax cut of $42. Let me make that even worse. The income range averages at $8,600, so at $8,600 a year, you get back $42 in your pocket on average.

The next quintile is $13,600 to $24,400. That is an average of $18,800 a year. They get an average tax cut of $187.

A person earning $31,000 gets $453 back. If you earn an average of $50,000, you get back an average of $876. Between $64,000 and $130,000, you get back $1,400. Then, if you earn an average of $163,000, you get $2,200, approximately. But hold on to your chairs. Hold on to your chairs. If you earn $319,000 or more—the average income is $915,000—you get back $46,000 every year.

So how can anyone say that is compassionate? A person earning $50,000

gets $876 back. A person earning $319,000, average $915,000, gets back $46,000. I don't know how anybody could say that is compassionate.

We are going to show you another way to look at what people get back because I think it is a startling thing to see. If you are in that wealthiest bracket, here is a beautiful new kitchen. It really is quite nice. You can get this kitchen for $50,000. That is about what you would get back if you earned that $900,000. It is beautiful. It has a granite top, wood; it is quite lovely—a new kitchen. But what happens if you don't earn that? You could afford a pan. It is a nice pan. What do we figure this costs? This is a $200 pan. It is a very nice pan. But this person can get a kitchen; you can get a pan. This is not compassion, and it is not fair and it is not right.

Let's show some other examples. We had the Lexus and the muffler, and I thought that was good, but I thought we needed some more. Here is a beautiful swimming pool. We are told a swimming pool such as this costs about $46,000.

With the Bush tax cut, when it phases in, if you are in that million-dollar range, you could put one of these babies in your house every year, by the way. But if you are at that bottom level, the bottom 60 percent, average that out and that is under $39,000, you could get an inflatable bath tub.

How is that compassionate? How is that fair?

We have some more to show you. This looks pretty good. This is a yacht. According to our figures, $45,000 gets you this yacht. It looks very good.

If you get $1 million a year, you are going to get that kind of tax cut. But if you are in the bottom 60 percent, you can get this little rowboat. I don't even know if you get the oars with it. This costs $195.

Do we have any more of those? I think you get the idea. But we are going to show it to you in a different way.

If you are in that top bracket of 1 percent, which is the one that gets 43 percent of the benefits of Bush's tax cut, you get 43 percent of the benefit. Every single day when this tax cut is phased in, you get $126. That is pretty good. If you are in the bottom percent with an average of $30,000, you get 62 cents every day. This is another way to show how compassionate this tax cut is.

I figure we will make it even a little more stark for you. If you get back $126 a day in a tax cut, you and your significant other can go to a beautiful restaurant, have a little candlelight, order the best in the house and a good bottle of California wine, I hope. It is pretty neat. If you are in that bottom 60 percent, it is tomato soup. There is nothing wrong with tomato soup. But it is not fair. This is not fair.

You say: Well, wait a minute. Didn't the President say the people at the very top pay most of the taxes? Yes. They are getting back 43 percent in the tax cut of George Bush. But don't they pay most of the taxes? Wrong. It is 21 percent of the taxes. The wealthy top 1 percent pay 21 percent of taxes. They are getting 43 percent of the benefit of the Bush tax plan.

I just cannot imagine how someone who runs as a compassionate person can come up with a situation where you can get a can of tomato soup if you earn $30,000, and take your significant other to the restaurant every single night and eat out, not to mention the kitchen versus the pan, and all of the rest. No. This is not compassionate, nor is it conservative.

We see that this is done for a reason. The stated reason is we are going to stimulate this economy.

As I understand it, there was a hearing today on that. There is a lot of dispute about whether or not a tax break to the wealthiest people actually stimulates the economy. It was tried back in the eighties. Do you know what it stimulated? Deficits as far as the eye could see.

The next time I come out on the floor I will have some charts that show what happened to the deficit when trickle-down economics was the centerpiece in the 1980s. It was a failure, an abject failure. Do you know what trickled down? Misery, recession, and we had terrible unemployment. We were paying so much interest on the debt that we didn't have any money to invest in our people.

Yet we have a plan from someone who says he is compassionate and conservative that just will, in fact, set us up for failure. If I have anything to say about it in this Chamber, I want to talk about it. And the Democrats are going to talk about it.

Do we want a tax cut? Yes. As CHARLIE RANGEL on the other side said, we want the biggest tax cut we can afford. Do we want to make sure the people who need that tax cut the most get it? Yes. That is the kind of proposal we are going to have.

In this particular proposal, the compassionate President Bush does not make the child care credit refundable. If you really are at the bottom of the barrel, you are earning maybe $20,000, or even less, you don't pay any income taxes. You don't get any help with your child care. If we are going to give a child care credit, which a lot of us want to do, let's make it refundable so people can have that effect and ease the burden.

I have an interesting commentary I would like to read.

Mr. President, this is a Republican named Kevin Phillips. He is very respected. As far as I know, he has been a Republican all of his life. He is the editor and publisher of the American Political Report. He is a best selling author who worked for the Nixon administration. I want to stress that what I am about to read to you did not come from BARBARA BOXER, a Democrat from California, but it is coming from Kevin Phillips, a Republican who worked for the Nixon administration. I think he has some good credentials to criticize or comment on their Bush tax cut. Let's see if he thinks it is compassionate and conservative.

I am quoting every word directly from his editorial:

> Although president less than a month, George W. Bush has already achieved a historic first. He has become the first president elected without carrying the popular vote, to propose a far-reaching giant tax-cut bill on behalf of his supporters and his big campaign contributors.

Parenthetically, let me note that Kevin Phillips is calling this Bush tax cut ''a far-reaching giant tax-cut bill on behalf of his supporters and his big campaign contributors.''

> None of the three previous presidents elected without a popular margin, John Quincy Adams, Rutherford Hayes and Benjamin Harrison, had the temerity to try anything like this kind of revenue reduction. It hasn't bothered Bush, though. It hasn't stopped him that a majority of Americans cast their vote for the two candidates, Al Gore and Ralph Nader, who mocked his tax package. Indeed, both did more than oppose it. They argued rightly that it was a massive giveaway, and that 30 to 40 percent of the dollar benefits went to the top 1 percent of US taxpayers, to just one million families.

I am worried about the other 279 millions of families.

To quote Mr. Phillips further:

> This is an illegitimate tax bill for two reasons. The first is that a president selected in Bush's manner has no mandate or standing to undertake such far-reaching legislation. The second illegitimacy, which would tar this legislation even if it was offered by a president with a full claim to office, is the extent of revenue that it gives away—not at first, but as its $1.6 trillion worth of provisions unfold over the next decade. That's more than a trillion dollars that future Congresses could spend on debt reduction, on payroll tax reductions, Social Security, education or prescription drug coverage.
>
> Instead, these dollars will be spent by recipients in considerable measure on $100,000 cars, $5 million homes and $10 million financial speculations. Indeed, one of the biggest individual tax giveaways is particularly ironic. Here I'm talking about the Bush proposal to phase out the federal inheritance tax, which in earlier days owed much of its introduction to a pair of Republican presidents picked by voters, not by a 5-to-4 Supreme Court decision, whose names were Abraham Lincoln and Theodore Roosevelt. To now end the inheritance tax, as opposed to increasing its exemption to $2 million or $3 million, threatens a cost not only in billions of dollars but in the weakening of American democracy.
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> In the wake of the American Revolution, George Washington, Thomas Jefferson and many others agreed that U.S. law would and did end the British legal provisions that allowed the great landed estates to descend intact from generation to generation. The new United States would not, they say, have an aristocracy of inheritance.
>
> The Bush tax bill raises exactly that prospect. It threatens to perpetuate the $8-trillion wealth buildup of the 1990s through a new aristocracy of inheritance on a scale that Washington and Jefferson could never have imagined. For such a proposal to come from a President who owes his own office to inheritance rather than popular election is the crowning illegitimacy of them all.

This is tough stuff. This is tough language. This is tough criticism. It is given by a Republican who cares about a number of things, being conservative and being fair.

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mrs. BOXER. I thank the Chair.

I hope everyone will look at that Kevin Phillips commentary I just read into the RECORD. It is very instructive.

I have told my colleagues why this is not a compassionate tax cut. It ignores 99 percent of the taxpayers, essentially, and gives almost everything, or way too much, to the very few of the wealthiest people in this country, the biggest break going to those who earn close to $1 million a year.

Let me tell my colleagues why it also is not compassionate. It is so large, it is so big, it is so huge, there will not be enough left over for the things we need to do to protect Social Security so that these kids who are Senate pages now will have a Social Security system, to add a prescription drug benefit to Medicare that everyone seems to want. We don't have the money for that. To really invest in education, in early education, in after school, in school construction, and in smaller class sizes, we are not going to have money for that, nor to clean up our environment, to fix up our parklands—we could go on—to have a decent air traffic control system that is safe. It is not compassionate because it takes from that.

What about it not being conservative? That is something we have to talk about. The fact is, not only will we not have money for the priorities the American people want, but the plan leaves nothing to pay down the debt over the long run. That is not conservative. Show me one family who does not think about a rainy day: Gee, honey, what if something goes wrong next year? Maybe we should save a few dollars. Gee, I am a little worried, Tommy doesn't look so great. Maybe we need to spend a little of our savings on a second opinion and take him to a doctor outside the HMO. Thank goodness we saved a little bit.

What about the families now across this country who are looking at their natural gas bills—the natural gas that heats their home? They are in shock at seeing a twofold increase, a threefold increase. Those families are going to have to save from somewhere to pay those bills. We have a 10-year boondoggle tax cut that leaves nothing for emergencies, that counts on forecasts that are going to be as crazy as the weather forecasts.

I am hopeful that we can get some bipartisanship here. I find it amazing that only a couple of my Republican friends have said this tax cut is too big. I am happy they have. But where is the chorus from people on that side who say they are conservative? How can a true conservative go back to deficits as far as the eye can see? How can a true conservative go back to debt as far as the eye can see, to force our children to inherit a debt and have to pay a billion dollars a day or more to finance that debt? That is not conservative.

Let's go back to the drawing boards, I say to the President. Let's come up with a compassionate and a conservative budget, one that rests on a few foundations that I will talk about.

I ask unanimous consent to proceed for 10 more minutes.

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

Mrs. BOXER. When we talk about our budget and the tax cuts that are part of it, we should have a foundation to that budget, a foundation to that tax cut. I think it should show three pillars. One is fairness. Let us be fair to the people. Let's make sure that as we look at the size of the tax cuts, where they go, what we spend, what we invest in, that we are fair.

The greatest thing we have in our country is a very strong middle class. If we lose that middle class, we will be weak. Yet if we look at some of the numbers, it appears that the gap between the rich and poor is in fact growing. That is not healthy for anyone. That is not good for a society, if it gets too big. What we find out is we have people who have lost hope, who may turn to drugs, alcohol. We know what happens when things turn bad and they are not as productive as they can be. They are not living up to their potential because maybe they cannot even afford college tuition. Fairness has to be what we are about.

Values: What do we value in this country? Do we not value a balanced approach, fairness to our people and investing in our people, making sure that our children are healthy; that they have a good, free, public education system that is strong; that we create jobs; that we have job training; that we don't turn our backs on our senior citizens; that we have safe streets? That is a value.

Right now we have senior citizens who are under a lot of stress. Not only do they have to meet their bills for their prescription drugs—and the good news here is, there are so many good prescription drugs today that keep people moving and feeling good, but they are expensive. We need a prescription drug benefit. That should be one of our values. Strengthening Social Security should be one of our values.

So it is fairness, as we look at a tax cut and spending. It is values, about our families and what they need and how we can help them and make life better for them. It is responsibility to the next generation of youngsters.

Yes, we can have a tax cut. It could be a large tax cut. It will fit into the budget. It will be fair. It will have values. It will be responsible. And we could be proud that we are keeping this country on the right track and not turning off on some detour that says: Deficits again, debt again, no money for our seniors, no more safe streets. That is not the right path to take.

A lot of people have said to the Democrats: Show us your plan. What is your plan? We are going to have a plan. It is going to be a good plan. It is going to be based on these values: Fairness, a sense of values, and responsibility—three pillars. It is going to be specific as soon as we see President Bush's budget numbers so we know what he is cutting to pay for this tax cut. We have to take a look at that. And we will respond.

I am reaching my hand across to the other side of the aisle at this point. I say to my colleagues, I heard you so many times on this floor: We need a balanced budget amendment to the Constitution. We need to pay down the debt. These deficits are killing us.

We know, if we take a look at this projected surplus and we are conservative about it, we will do just fine. If we look at our values as a society and we are compassionate, we will be just fine.

I will close with a quote from Alan Greenspan who testified today. He said:

> Given the euphoria surrounding the surpluses, it is not difficult to imagine the hard-earned fiscal restraint developed in recent years rapidly dissipating. We need to resist those policies that could readily resurrect the deficits of the past and the fiscal imbalances that followed in their wake.

So today I have quoted two Republicans I admire—Alan Greenspan, telling us to watch out, then be conservative on this tax cut; and Kevin Phillips, who is warning us the Bush tax plan could lead to a country that isn't one we will be that proud of because it will transfer so much of what we have to the very top of the income scale, forgetting about the great middle class.

So I am very hopeful we can come together as the Senate, as compassionate people, as fiscally responsible people, and that we can fashion a budget that includes a tax cut we can afford, that includes spending priorities our families need, that thinks about our kids, that takes the burden of debt off their shoulders. I think if we can do that, we can add a tremendous amount to this debate.

I think President Bush has said he is interested in working with the Senate. I think he has reached out to us and said let's work together. Well, I am ready to do that. I tell him, if he would come up with a budget that is compassionate and conservative, I will be there right at his side. If he does not, I will work to make it so.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, could you tell me, is there a unanimous consent pending concerning speaking order?

The PRESIDING OFFICER. There is not.

Mr. DURBIN. Mr. President, I ask unanimous consent to be recognized in morning business.

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

THE PRESIDENT'S PROPOSED TAX CUT

Mr. DURBIN. Mr. President, thank you for this opportunity to address the issue of the moment, which is the tax cut. It is an issue many of us have followed closely for a long period of time. Some of us who have served here for a period can recall it wasn't that long ago we were dealing with a terrible deficit on an annual basis that started accumulating a national debt in record numbers. What was the beginning of this national debt? Well, you have to go back to, I guess, President George Washington when we started spending more than we had. Over the years, the debt accumulated.

In the early 1980s, the national debt in America started skyrocketing. We started adding more deficits each year than at any time in our history. In a short period of time—10 or 12 years—we ended up finding the national debt of this country at the highest levels in our history. It caused great alarm, as it should have, not only in Congress, but across the Nation, and a concern among people as to whether or not this would have a negative impact on our economy. Of course, if the Government spends more money than it brings in, it has to borrow the money to spend and then pay interest on the money borrowed. We found ourselves, each year, paying more and more interest on this old debt.

The mortgage on America was getting larger and larger and larger. Today, it is at $5.7 trillion. That is a frightening number which, when I came to Congress 20 years ago, would have been unthinkable. Yet it has happened in that period of time. But the good news to be delivered is that we have finally turned the corner. For the first time over the last several years, we have been generating annual surpluses. Our economy is strong. More people are working and they are building homes and buying cars and buying appliances. Businesses are more profitable. Individuals have done well with investments, and America is a more prosperous Nation. For the last 9 years, we have seen unparalleled economic prosperity. But we have to recall, as we sit here in the year 2001, that this is a recent turn of events. Only a few years ago, 4 years ago, my Republican colleagues came to the floor asking to amend the Constitution of the United States with a balanced budget amendment because they thought it was impossible for Congress to get the deficits under control.

Well, the economy was helped. Congress did the right thing and the economy has moved forward to the betterment of millions of American families.

In this time of prosperity and peace comes a new President, George W. Bush, who suggests we should take the surpluses we anticipate, not this year but for the next 10 years, and spend them. On what would he spend them? Tax cuts—tax cuts in a plan that he has proposed in this campaign and has since proposed after the inauguration which would reduce the tax burden of many Americans—not all, but many Americans.

You will have to excuse me if I suggest that the President needs to reflect that it wasn't that long ago when his father was President that things were a lot different in America, when we were really struggling with an economy that was building up annual deficits and adding to the national debt. It hasn't been that long ago. In fact, go back about 10 years and you will see we appeared to finally be turning the corner.

I wonder if 10 years ago, as President George Bush, the first, finished his term in office, he would have been able to predict what America would look like for his son, President George W. Bush. I don't think so. Even the best economists could not project 10 years ahead what the next President Bush would face.

In fact, as I said on the floor this morning, the best economists looked at our deficit and suggested 5 years ago this year we would be running a $320 billion deficit. That was their best opinion based on the information they had. They were wrong. We are running a $270 billion surplus. They missed it by $590 billion, just 5 years ago.

The point I am trying to make is this: The best economists in America, using the best information available, are often wrong. They come before our committees on a regular basis and make prophesies and predictions that turn out to be just flat wrong. If you think there is something wrong with people talking to agencies of government, or if you happen to be an investor yourself, you know their newsletters give advice every day of every week, and a lot of it is just wrong. They guess wrong about next week, let alone next month or next year.

The reason I bring this up is that President George W. Bush's tax cut proposal is based on projections of what the American economy is going to look like, not next year but literally 10 years from now. The President wants to commit us to a tax cut that will literally spend surpluses which his economists imagine will occur 9 or 10 years from now. That, to me, is not sound public policy.

In addition, keep in mind that the national debt, the national mortgage I talked about earlier, is still there. It is $5.7 trillion. That is a debt which most families in America do not get up in the morning and worry about, nor should they, but it is there.

We as policymakers in Washington have a responsibility to deal with it in a sensible way. We have to remind the families across America that though things are going very well in this country, we literally collect $1 billion a day in taxes from families, individuals, and businesses across our country just to pay interest on old debt—$361 billion a year collected in taxes by the Federal Government, taken from hard-working Americans, not to build a classroom, not to hire someone to be part of our national space program, not to make a stronger national defense or to build a highway, but to pay interest to the bond holders of America's debt.

Excuse me if I do not make this point clear, but if you had a surplus, wouldn't you want to retire the mortgage first before you decided you were going to put another addition on the house or buy a new house or have a big party? That is part of this debate. If we are going to deal with the surplus in America and the good times in America, let us do it in a sensible and sane way, and let us dedicate ourselves to paying down this national debt.

Many have said what a great gift to give to our children, a tax cut. That is a great gift to give to a child, but isn't it a greater gift for us to retire America's mortgage, to say that this national debt should be taken care of? I think it is.

Secondly, if we do that, it is a sensible commitment of the surplus on an annual basis. If we have the surplus, as we hope we will, we retire the debt with it. If we do not have it or go into a recession or bad times, then clearly we have not made a commitment with which we cannot live. But if we pass a tax cut, change our Tax Code, I can tell you from having served in the House and Senate, it is extremely difficult to change. Once it is in place, we can find ourselves a few years from now facing new deficits, more red ink, and adding to the national debt.

I do not want America to go down that road again. I believe we should support a policy which has a focus on paying down the national debt. I believe, even if we do that, we will still have resources over the next 10 years for a tax cut.

I support a tax cut. I think it makes sense. The question is, how large a tax cut. When we take a look at the proposal from President Bush of a $2.6 trillion tax cut, after we figure out how much of a surplus we are likely to have over the next 10 years, we find that the President is committing 96 percent of this projected surplus to tax cuts.

One can argue as to whether there will be a surplus, but assuming for a moment that every penny of the surplus which we imagine and prophesy today is there, the President wants to take 96 percent of it and put it in a tax cut.

That leaves 4 percent of the surplus—only 4 percent of this projected surplus—for a variety of other things which Americans believe, and I believe, are critically important for our country. Let me go through them so there is no doubt that when we talk about spending in the future, we are talking

about investments that most American families understand should be part of our national budget.

I talked about debt reduction. Frankly, $100 billion over 10 years dedicated to debt reduction—long-term debt reduction—is not enough. We need to put enough into it so that national debt is reduced as close to zero as humanly possible.

I thought both parties agreed on a prescription drug benefit for the elderly and disabled in this country, but President Bush's tax cut plan leaves us no resources to do that; in other words, helping people who are senior citizens who need prescription drugs to stay healthy, independent, strong, and out of the hospitals and nursing homes, which everybody in the last campaign said we agree on, when it comes to the President's proposal for a tax cut, and find there is no money left for prescription drugs, and no money left for education.

The President has had some great speeches and great public appearances over the past several weeks talking about new Federal commitments to education. I applaud those remarks. It is sound policy. If America is going to be strong in the 21st century, our schools have to be strong, our kids have to have the best education to compete in a very global, competitive economy.

Let's take a look at what the President leaves from the surplus for education. Hardly anything. When it comes to education, frankly, he is shortchanging kids in the future to provide a tax cut today.

He is talking about increasing spending for defense. The national missile defense is a multi-billion-dollar program to protect America, and yet the President does not leave money from the surplus for that purpose.

Expanding health care, with over 40 million uninsured Americans—it is a national disgrace that so many people do not have the security of a good health insurance plan—the President leaves no money from this surplus to even address that issue.

I had a conversation with my wife over the weekend. We were talking about the problems and perils of people who are trying to move from job to job and wonder if they will have health insurance coverage. In a nation this prosperous, in a nation with such a rich tradition of caring for others, how can we continue to ignore the millions of people who have literally no health insurance protection whatsoever?

Heartbreaking stories are received in my office from my home State of Illinois and across the Nation. Those stories will go unheeded, that problem will go unaddressed, if we devote 96 percent of any projected surplus to a tax cut.

The same thing is true for agriculture. Over the last 3 years, we have had agricultural crises across the Midwest and across the Nation. We have responded to them. The President leaves no money in anticipation of those even occurring over the next 10 years. I pray they will not, but I bet they will. And if they do occur, we had better have the resources so that America's agriculture, its farmers, can sustain a bad year and live to plant again.

Medicare reform, Social Security reform, the President does not provide for these. For him it is the tax cut, 96 percent of all the surplus for the tax cut, to the exclusion, to the detriment, of many other things.

When we take a look at the surplus projections of the Congressional Budget Office, we also realize that we are not going to see most of it until 5 years out, if it is going to cost us $2.6 trillion for the total tax cut. Take a look at when the money starts coming in. It is not until 2007 that we see most of this projected surplus appearing. We are talking 5 or 6 years from now. So all of the guesses about whether we will have $2.6 trillion are grounded on an assumption of the state of America's economy in the years 2007–2011. The economists, as good as they are, and the computers, as fast as they are, are not that good to tell us what this surplus is likely to be.

Sadly, because the President has proposed these massive tax cuts, without the surplus, again, we find that the President is going to be raiding Social Security and Medicare surpluses. He has even proposed this privatization plan for Social Security. If he goes forward with that, it is going to cost us another $1.3 trillion over the next 10 years, taking more money from Social Security.

There is also a very serious question as to who will be receiving the President's projected tax cuts, and this is one about which I feel very strongly. I believe we should have a tax cut. It should be fair to all Americans. It should be part of a responsible and honest budget that balances priorities across the spectrum for America's families, and, most of all, it should be a tax cut that strengthens our economy, not weakens it. It should be a tax cut that will allow America's families to succeed.

Yet when we take a look at the kind of tax cuts proposed by President Bush, we find, again, they are lopsided. The President has proposed if we are to have this massive $2.6 trillion tax cut, 42.6 percent of this tax cut should go to people in the top 1 percent of wage earners. Those are people in America with incomes over $300,000 a year. If you are making over $300,000 a year, you are in the top 1 percent, you have an average income of $900,000 a year, and your tax break by President Bush's calculation is about $46,000 a year.

Sadly, for 80 percent of Americans who have incomes below $64,900, only 29 percent of the tax cuts head in that direction. For those making less than $39,000 a year, the President's average tax cut amounts to about $227. They have made this point over and over again: For the top 1 percent, the highest wage earners in America, there is a tax cut large enough to buy a Lexus. For those in the lower 60 percent income in America, there is a tax cut large enough to buy a muffler for a car—probably not a muffler for a Lexus.

Some say, wait, the reason the rich get so much of the tax cut is that they pay so much in taxes so they should receive more in terms of the tax cut. Hold on. Look at this. The total Federal taxes paid by the top 1 percent of wage earners in America account for 21 percent of all the taxes collected. The President gives to that group, those making the top 1 percent income, 43 percent of the tax cut, twice the tax cut for their tax burden. Keep in mind, these are people who are making at least $25,000 a month, if not $75,000 a month. The President says these are the ones most deserving of a tax cut.

I disagree. I know what is going on in my home State and I bet in the State of Kansas and many others. There are people now struggling with heating bills, paying hundreds of dollars a month for natural gas and other sources of heat for their homes. I see them, I run into them when I am back in Illinois. I get letters, e-mails, and telephone calls about the problems they face. I think to myself, if you are going to have a tax cut, for goodness' sake, remember those folks, remember the people who are trying to struggle and pay these bills. They are the ones who need a tax cut much more than someone who is earning $25,000 a month.

If you are making $39,000 a year and your heating bill goes up in your home from $250 to $400 a month, you will notice it. If you were making $25,000 a month, would you even notice it? When we talk about tax cuts, let us focus on helping families who really deserve a helping hand.

Another area that comes to mind immediately is the question of paying for a college education. The cost of a college education continues to skyrocket much faster than the pace of inflation. What we find is that many middle-income families who want to give their sons and daughters the very best cannot afford it. I think we ought to focus on a tax cut that helps those families, that says, for example, you can deduct the cost of a college education up to, say, $10,000 or $12,000 a year from your family's income tax. That makes sense to me. I think it encourages more families to send their sons and daughters off to school.

It comes down to this: On this side of the aisle, on the Democratic side of the aisle, we believe, first, there should be a tax cut after we admit our obligation to pay down the national debt in a responsible way. Whatever surplus we have, I believe, should first be dedicated to paying down that debt so our children do not have to carry that burden. Then the tax cut—if there is to be one, and I believe we can have one—

should be sensible, it should be one that is not dangerous or risky to the economy, and it should focus the tax assistance to the families who need it the most, those who are in the middle-income category, struggling to pay the bills. The wealthiest of the wealthy will do just fine. We have to focus on families struggling to make ends meet and struggling to realize that American dream.

In addition to that, we can never overlook our obligation with this surplus and with each year's budget to Social Security and to Medicare, to health care, and to education. It would be a sad commentary if, after all we have been through over the last 20 years, we found ourselves once again entertaining the thoughts of a tax cut that this Nation cannot afford, at a level which we cannot sustain, based on promises we cannot prove. That is exactly what we are doing now.

The President's tax cut is music to the ears of many voters, but those who step back and take a look at the situation say to most Members of Congress: Of course I want a tax cut. If you are going to give a tax cut, give it to me and my family. We can figure out how to spend it. If you say to them, Is a tax cut more important to you than eliminating and retiring our national debt once and for all, most Americans say: No, put that debt behind us. If this is a chance to do it, get rid of America's national mortgage.

If you give citizens another choice: Would you prefer a tax cut for your family or would you rather see us invest in education in America, to make sure that our schools are modern, the technology is up to date, and your kids are taught by the very best men and women available to teach in America, that is an easy choice for most families: Put it in education first.

What about health care? Should we focus on a prescription drug benefit under Medicare or a tax cut of $46,000 a year for the upper 1 percent of American wage earners? That is an easy call for most families: Put it into a prescription drug benefit that is universal and affordable, under Medicare.

When you bring it down to the real choices we face, not just a tax cut or nothing, but a tax cut that is sensible and one that accommodates retiring the national debt, investing in America's families, making sure they can continue to succeed, I think the choice is going to be clear.

We made a mistake in 1980 with the new President Reagan supply side economics, the aptly named Laffer curve. All of the things suggested—if you just kept cutting taxes, America would prosper—didn't work. As a consequence of that bad decision and the beginning of that Presidency with all the euphoria of the Reagan years, we started a chain of deficits which literally crippled America.

Finally, we are out from under that burden. On a bipartisan basis we should learn a lesson. The lesson is this: The people of this country understand priorities very well. They understand the lyric call of a tax cut may make great music on the nightly news, but there is a lot more to governing America than just being popular and saying popular things.

You have to speak straight to the American people, be sensible with them, tell them that the tax cut President Bush has proposed is, frankly, not good for this country in the long term. We cannot base this tax cut on projections of what America will look like 5, 6, 7, 8, 9, 10 years from now, and be wrong, and find ourself back in deficits. We cannot push a tax cut which inordinately rewards the wealthiest in this country and ignores some 23 million Americans who receive literally no tax benefit from the President's tax cut proposal. We can't be backing a tax cut that is so large that it raids the Social Security trust fund and endangers the future of Medicare. And we certainly cannot back a tax cut that ends up making certain that we in America are spending more and more money to provide tax relief to the wealthiest among us and ignoring these important priorities such as education, defense, health care coverage, Medicare reform, and Social Security reform.

Alan Greenspan is a man I respect very much. He came to the Hill last week and made a statement about the future of this economy. He has made some good predictions in the past. He suggested we should consider a tax cut. I think he is right. But he also said, if you read his statement very carefully: Don't get carried away; do it in a sensible fashion; do it in a way that will keep America moving forward.

It is now up to this Chamber, and the 99 other men and women who will gather here and debate over the next several weeks, to be honest with the American people. Perhaps not the most popular statements but the most sensible statements will tell us that a tax cut is not the be all and end all, not the goal for everything in America. What is most important is that we create an economy where American families can succeed. I think we have that opportunity. I hope we don't lose it.

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

The PRESIDING OFFICER (Mr. SMITH of Oregon). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

NATURAL GAS PRICES

Mrs. CARNAHAN. Mr. President, I rise today to speak about an issue that I know is a critical concern for all of my constituents the significant rise in natural gas prices in Missouri. As we are all aware, recent brutal temperatures and energy shortages have contributed to a dramatic rise in home heating bills.

In Missouri, regulators recently approved a 44 percent rate increase for natural gas purchased from one Missouri utility. The increase, from $6.81 to $9.82 for a thousand cubic feet of natural gas, is expected to continue into the summer and has posed serious problems for consumers.

Imagine your gas bill doubling almost overnight. People tell me that they are putting off needed purchases because they don't have any extra money—it's all going to pay the gas bill. I am especially worried about the impact of high heating bills on our retirees who already have tight budgets.

My phone lines have been barraged with distraught constituents who don't know how to make ends meet this winter. Just yesterday I heard from James Baldwin, an Army veteran and retired autoworker from Independence, MO. Mr. Baldwin, father of four and grandfather of five, worked at the Ford Assembly Plant in Kansas City for almost 36 years. Like most constituents, Mr. Baldwin has tried to cut down on energy usage by dressing warmer and weatherproofing his home, as he is on a fixed income and doesn't have much room in his budget to accommodate large increases. Mr. Baldwin paid $99 for his gas bill in December 1999. He was shocked, however, when, one year later, he received his bill and realized that his heating costs had almost tripled to $269. The skyrocketing increases continued last month as well. He doesn't know what he will do if increases of this size continue. Mr. Baldwin called my office to let me know about the hundreds of neighbors and autoworker retirees he hears from every day about this problem. He worries that many will fall through the cracks.

The Mid-America Assistance Coalition, an agency that coordinates emergency assistance for the Kansas City metro area, where Mr. Baldwin lives, has reported getting 100 to 200 calls per day. Many of the calls are from single moms, the elderly and the ''working poor,'' or those who earn too much to qualify for standard energy assistance but cannot afford to pay their bills. According to the Coalition, this is the first time most of the callers have ever had to ask for assistance with their utility bills.

Another constituent, Mrs. Doris Hill from Albany, Missouri, recently wrote to share her plight. Mrs. Hill is a low-income, 83-year-old widow. She wrote that she cannot afford to call even her own family long-distance. She lives on $460 a month from Social Security and a small interest income from savings. She struggles month-to-month and cannot afford large increases in her utility bills.

This problem is not just limited to certain geographic areas or segments of our population. One letter I received was from Jeremy Lynn, a Boy Scout

from Sikeston in Southeast Missouri. Jeremy wrote to share his concern about the effect that the high cost of gas is having on his family. Jeremy states that his father and other farmers are struggling to cope with fuel and natural gas price increases at a time when the prices they are being paid for their crops are the lowest they have received in 14 years. He is worried that many farmers will be forced out of business as a result.

These and many other stories I have heard over the last couple of months have touched me deeply. Unfortunately, these stories are much too common in Missouri.

We hear that the cause of these record increases are due to problems associated with supply, demand, industry deregulation and, possibly, price gouging. But this is a complicated issue, and I have yet to meet anyone who has an easy solution. The only thing that is clear right now is that we need to learn what has caused these sharp increases and quickly develop an appropriate response.

This is why I have decided to cosponsor Senator BOXER's amendment that would require the National Academy of Sciences to submit a report to Congress within 60 days on the causes of the recent increases in the price of natural gas, including whether the increases have been caused by problems with natural gas supply or by problems with the natural gas transmission system. The study would identify federal or state policies that may have contributed to the recent spike in prices and determine what federal action would be necessary to improve the reserve supply of natural gas.

We don't know what the results of this study will be, but I am hopeful that they will help us to determine a course of action at the federal level to relieve the current crisis that is harming so many people in so many ways.

NOMINATION OF GALE NORTON

Mr. DODD. Mr President, I would like to briefly explain my recent vote to support the nomination of Gale Norton to be Secretary of Interior. At the outset, let me say that I did so with serious reservations. In fact, I find many of Ms. Norton's past positions, statements and actions most troubling.

Gale Norton has built a successful career advocating for the mining, timber, and oil industries. Her record in this respect has led many to question whether she can strike an appropriate balance between conservation and development. She has argued that several fundamental environmental laws are unconstitutional, including the Endangered Species Act and the Surface Mining Act, two laws that the Secretary of Interior is tasked with enforcing.

She has advocated opening the Arctic National Wildlife Refuge, ANWR, in Alaska to oil drilling. This vital ecosystem supports hundreds of thousands of caribou, bears, wolves and oxen and 160 species of birds. Is it prudent to destroy this pristine land for what the U.S. Geological Survey estimates is a 6-month supply of oil? I believe not.

As Attorney General of Colorado, she was a proponent of the State's self-audit law, which allows polluting companies to escape fines if they report their violations and make efforts to correct the problem. Unfortunately, the Summitville Mine in Colorado was not as vigilant as it should have been and continued to operate even though it still had serious environmental problems. Only when the mine leaked cyanide into a local river did Ms. Norton's office step in. While she worked vigorously to clean up the damage and billed Summitville for the cost, it was the federal government who had to step in and prosecute the offenders. A Secretary of Interior must be vigilant, quick to respond to disaster, and proactive in policy-making. I am troubled by Ms. Norton's slow response at Summitville and her inability to articulate at the confirmation hearing what she might do to reduce the chances of a similar disaster.

Many have urged me and my Senate colleagues to reject this nomination and some have unfairly compared Ms. Norton to former Interior Secretary James Watt. I am one of several current Members of the Senate who was here in 1981 and I remember James Watt. During his confirmation hearing, he remained unyielding in his devotion to development and extractive industries. That intractable stand, coupled with his past statements and actions led me to vote against James Watt for Secretary of Interior. In fact, I am one of six current members of the Senate who cast a vote in opposition to Mr. Watt's nomination.

I did not detect such a divisive tone during Gale Norton's confirmation hearing before the Energy and Natural Resources Committee. I take some comfort from statements she made, under oath, specifically her intention to enforce the laws as written and interpreted by the courts, including the Endangered Species Act. Ms. Norton gave assurances to several committee members that she would uphold the current moratorium that exists on offshore oil and gas leases in California and Florida. She further stated that she was willing to work with other States to achieve similar results regarding offshore oil and gas leases.

I was pleased to hear Gale Norton's strong support for our National Parks, including eradicating maintenance backlogs. I look forward to working with her and members of the Senate to ensure proper funding levels in the fiscal year 2002 appropriations for this and other environmental protection efforts. Finally, I was pleased that Ms. Norton supports fully funding the Land and Water Conservation Fund. I trust she will work with Congress to achieve that goal and to enact the Conservation and Reinvestment Act, a bill that had broad bipartisan and bicameral support in the 106th Congress. Land and Water Conservation funds and the matching grant program have been very important to the ability of Connecticut and other States to acquire land and enhance recreation areas and parks.

I am mindful that some of Ms. Norton's testimony reflects a stark change in policy beliefs. Do I think these newly stated positions make her an environmentalist? No, I do not. Do I think positions she has taken in the past could pose harm to our public lands? Yes, I do. However, the entirety of Ms Norton's record, including testimony given at the hearing, demonstrates a sensitivity and an understanding of the role of the Secretary of Interior.

The Secretary of Interior has enormous responsibility over our Nation's public treasures. That person must be a responsible steward for close to 500 million acres throughout the country, including Weir Farm National Historic Site and the McKinney National Wildlife Refuge in Connecticut. The Secretary must oversee and protect public lands, not plunder them.

In many instances Gale Norton has demonstrated a willingness to advocate Federal interests and be an honest and fair broker. As Associate Solicitor for the Department of Interior, she upheld federal interests including habitat restoration at the Como Lake restoration project and the Endangered Species Act on behalf of the California Condor. While Colorado Attorney General, Ms. Norton ensured that the Rocky Mountain Arsenal was sufficiently cleaned up and urged Congress to establish a wildlife refuge there.

I respect people's strong feelings regarding the nomination of Gale Norton, and in fact, I share some of their deeply rooted concerns. I did not cast this vote lightly or without a heavy degree of concern. I am not ignorant of the fact that Gale Norton is a nominee who represents the views of our President or that any other nominee for Interior Secretary would share those views. Nor do I agree in sending a message by voting against a nominee. This is an individual, a Cabinet nominee, not a piece of legislation. The President is entitled to a degree of deference in assembling his Cabinet, a bipartisan tradition that most members follow.

I have spent a quarter century in Congress fighting for measures to protect our air, drinking water, lakes, rivers and public lands. I prefer sending a message by enacting legislation that will strengthen our quality of life and opposing policy that would weaken or destroy our natural resources. Working together, Democrats and Republicans have enacted such lasting laws as the Clean Air Act, the Endangered Species Act, the National Environmental Policy Act and the Clean Water Act.

Gale Norton is undertaking an enormous responsibility, but one that affords an opportunity to bring people together. She has given me and my colleagues her word to uphold and enforce

our laws. I trust she will remain true to her word, and I look forward to working with her.

NATIONAL DAIRY FARMERS FAIRNESS ACT OF 2001

Mr. KOHL. Mr. President, I am pleased to rise today and join my colleague Senator RICK SANTORUM of Pennsylvania to reintroduce legislation to provide much needed assistance to our Nation's dairy producers who continue to face the lowest milk prices in over two decades.

Due to the failures of the Federal order reform process and the lack of a meaningful dairy price safety net, this legislation is an appropriate and necessary response to the ongoing regional milk pricing inequities and the dairy income crisis affecting all producers. In the past, the divisive and controversial dairy compact system has hindered Congress's efforts to achieve a fair and equitable national dairy policy. I am pleased to join with Senator SANTORUM and reintroduce this legislation to create a regionally equitable plan that will provide a safety net for small and medium size producers regardless of location.

The National Dairy Farmers Fairness Act of 2001 has two major goals: (1) To create a dairy policy that is equitable for farmers in all regions of the country; (2) provide stability for dairy producers in the prices they receive for their milk. To accomplish these goals, this legislation creates a price safety net for farmers by providing supplemental income payments when milk prices are low. A ''sliding-scale'' payment is made based upon the previous year's price for the national average for Class III milk. In essence, the payment rate to farmers is highest when the national Class III average is the lowest. To participate in this program, a farmer must have produced milk for commercial sale in the previous year. Payments under the program are also capped for the first 26,000 hundredweight of production. Again, all dairy producers would be eligible to participate under this scenario.

The fiscal year 2001 Agriculture Appropriations bill provided $667 million in emergency direct payments to dairy producers for losses incurred this year. While this action was absolutely necessary to respond to the dairy market loss crisis, it is time that an on-going program providing supplemental income payments to farmers when milk prices decline be established.

This important legislation represents a bipartisan and national approach in providing predictability and price stability in this otherwise volatile industry. Again, I am pleased to join with Senator SANTORUM in introducing the National Dairy Farmers Fairness Act and look forward to working with him in passing this important legislation.

TRIBUTE TO COAST GUARD HELICOPTER AIRCREW

Ms. LANDRIEU. Mr. President, I stand here today to pay tribute to four great Americans—Lieutenant Commander Brian Moore, Lieutenant Troy Beshears, Petty Officer First Class Mike Bouch and Petty Officer First Class John Green, all serving in the United States Coast Guard.

Last July, these four extraordinary Guardsmen were conducting a night flight over the Gulf of Mexico when they heard a distress call from the oil rig ''Ocean Crusader.'' Immediately flying to the rig, they arrived to find it engulfed in flames from a natural gas fire. Placing themselves in imminent danger, they landed on the rig to rescue the crew of 51. To expedite the rescue, Petty Officer Green left the helicopter to coordinate rescue efforts while his crew mates began the difficult task of ferrying the rig workers to another platform in groups of four. As the helicopter began its first evacuation flight, Petty Officer Green began lowering rig workers to a rig supply boat in groups of four using a crane and gondola.

After rescuing 12 workers, in three dangerous trips, the helicopter crew was forced to leave the scene to refuel while Petty Officer Green remained behind to keep lowering people to the supply boat and safety. He lowered 36 workers that way before another Coast Guard rescue helicopter arrived on the scene and landed to pick up the four men who remained on the platform. When told the helicopter could only take three safely, Petty Officer Green courageously volunteered to stay behind. Alone on that platform as the helicopter took the workers to safely, in the distance he could see his own aircraft returning when the rig erupted with fire raging from the waterline hundreds of feet in the air.

Committed to rescuing their crew mate, Lieutenant Commander Moore decided to try and rescue Petty Officer Green. With Petty Officer Bouchard hanging out of their aircraft trying to spot the landing platform in the smoke, he flew the helicopter into the middle of the inferno the Ocean Crusader had become, setting down amidst the flames to pick up Petty Officer Green.

Today people say we live in a world without heroes, one in which cynicism and selfishness rule the day. I am proud to say this is not the case in our United States Coast Guard. Guardsmen and Guardswomen like Lieutenant Commander Moore, Lieutenant Beshears, Petty Officer Bouch and Petty Officer Green put their lives on the line every day so that others may live. In this case, 51 men owe their lives to these four heroes who lived up to the Coast Guard's motto of ''Semper Paratus—Always Prepared.'' On behalf of those 51 men, their families, the state of Louisiana and Americans everywhere, I am proud to stand here today and say ''Thank you—job well done!'' to these extraordinary heroes.

ADDITIONAL STATEMENTS

TRIBUTE TO NORM BISHOP

• Mr. DORGAN. Mr. President, I rise today to pay tribute to a dedicated member of the U.S. Forest Service as he concludes his 39-plus years of service to his country. We are proud to have had this man serve on the Medora Ranger District in Dickinson, ND for the past 35 years.

Mr. Norman G. Bishop deserves this honor. North Dakotans are grateful for his contributions to the wise and sustainable use of our national grasslands.

Norm Bishop's personal and professional career accomplishments are as diverse as they are noteworthy. His loyal service and sacrifices for nearly four decades, working in the communities of western North Dakota, are a testament to all who use and appreciate our public lands.

In 1962, Norm moved to Dickinson, ND where he was an Airman, First Class at the Dickinson Radar Installation. His very first night in Dickinson, Norm met Karen Ridl, who he married a year later. After the Air Base closed in Dickinson, Norm began his Forest Service career.

During the oil crisis of the mid-1970s, Norm was instrumental in developing what is now the largest, most productive oil and gas program in the entire National Forest System. In fact, Norm became the first person in the entire Forest Service to be certified as an ''Oil and Gas Resource Specialist.'' For more than 20 years, Norm worked tirelessly to insure that oil development on the grasslands was accomplished in a manner that was sensitive to the needs of natural resources. My staff and I had the privilege of working with Norm Bishop on the Kinley Plateau/Bullion Butte Minerals exchange. Norm's professionalism and knowledge were instrumental in making that exchange a tremendous success.

It is with great honor for me to present these credentials of Norm Bishop to the Senate today. It is clear through all of his accomplishments that he has dedicated himself to furthering the benefits we enjoy on public lands. All of his actions reflect a true leader with a sense of purpose, commitment, and conscience.

As Norm departs from public service I ask my colleagues to join me in delivering an appreciative tribute from a grateful nation, and best wishes to he and Karen for a productive and rewarding retirement.•

TRIBUTE TO PC CONNECTION

• Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to PC Connection of Merrimack, New Hampshire, for being honored as ''Business of the Year'' by the Merrimack Chamber of Commerce. A major employer and important corporate leader in New Hampshire, PC Connection is a renowned worldwide business with a

strong commitment to public service within the Merrimack community.

For several years, under the guidance of Chief Executive Officer, Patricia Gallop, PC Connection has selflessly and steadfastly served the citizens of Merrimack. PC Connection provided volunteer leadership to generate civic awareness among area students. Contributions from the company enabled 2,000 young people to have a voice at the polls which ensured the success of the Kids Vote program.

The accomplishments of PC Connection are too numerous to list. They recently brought over 1,000 of their employees and visitors together for a family day of innovative computer activities and collected 2,500 computer components. The components will be refurbished and offered to non-profit agencies throughout New Hampshire.

PC Connection is a true community leader and a friend to the people of New Hampshire. The management and employees of the company are a great asset to the citizens of Merrimack. It is both an honor and a pleasure to represent them in the U.S. Senate.●

TRIBUTE TO THE MEN AND WOMEN OF MALMSTROM AIR FORCE BASE

● Mr. BAUCUS. Mr. President, I rise today to compliment and honor the men and women of Malmstrom Air Force Base in Great Falls, MT. I recently visited the base to congratulate the personnel at Malmstrom for receiving an ''excellent'' rating during their Combat Capability Assessment.

After two weeks of evaluations for technical proficiency and mission effectiveness, the 341st Space Wing's operations, security, maintenance, communications personnel and equipment were given an ''excellent'' overall rating. A very high mark for this type of test.

Col. Thomas Deppe is the leader of Team Malmstrom. He was absolutely correct when he said, ''It takes a championship team to accomplish our mission across 23,500 square miles of flight line on a daily basis, and we do it well.'' Indeed, they do it well. And they make Montanans and Americans extremely proud.

In addition, Col. James Robinson, who is the Combat Capability Assessment team Chief, said that the CCA is one of the ''toughest tests a wing will ever experience.'' He also said that in the three years he has been administering the test, he has ''never seen results this good.''

The 20th Air Force Combat Capability Assessment Team discovered what we have known in Montana for years—that Malmstrom is ''excellent.'' Mr. President, I can tell you from my recent visit to Malmstrom that those folks are very proud of this accomplishment, as they should be. I'm proud of them, too.

That is why today I want to recognize them in this great Senate Chamber. And so I say congratulations to Col. Thomas Deppe and the 341st Space Wing, and to all the men and women who work so hard to make Malmstrom Air Force Base what it is—''excellent.''●

RECOGNITION OF MATTHEW HUENERFAUTH

● Mr. SANTORUM. Mr. President, I rise today to recognize an exemplary young man from the great Commonwealth of Pennsylvania. Matthew Huenerfauth of Springfield, has been selected from among 200 applicants as a George J. Mitchell Scholar for 2001, and will have the opportunity to study in either Ireland or Northern Ireland in the fall. The recipients are those who have demonstrated intellectual distinction, leadership potential, and commitment to community service.

Matthew will graduate from the University of Delaware in May, 2001 with an Honors B.S. and an M.S. degree in Computer Science. During his tenure at Delaware, he has proven to be a tremendous asset to the college community outside the classroom as well. Using his computer knowledge to help others, Matthew developed a tutoring system for deaf students learning English. He spent the summer of 2000 as a Program Manager Intern at Microsoft in Redmond, Washington, and has completed extensive research in the field of artificial intelligence. Matthew was also president of a virtual literary magazine at Delaware, was a founding member of an a capella ensemble, and participated in the school's competitive computer programming team. While in Ireland, Matthew will study for an MSci degree in Computer Science at University College Dublin.

I ask my colleagues to join with me in recognizing Matthew Huenerfauth as he heads across the globe to represent the United States in Ireland. I am confident that he will make us proud.●

TRIBUTE TO TIM BOUCHER

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Tim Boucher of Deerfield, New Hampshire, for being honored as ''Business Person of the Year'' by the Merrimack Chamber of Commerce.

A hard working and dedicated member of the Merrimack Chamber Board of Directors, Tim has been an enthusiastic volunteer and committee chairman. He has worked diligently for the Chamber Golf Tournament and other fund raising events, selflessly serving the citizens of Merrimack.

Tim is a New Hampshire College and New England Law School graduate who was admitted to the Bar in 1991 and specializes in real estate and probate law. He is an active outdoors man who enjoys skiing and camping. He resides in Deerfield, New Hampshire, with his wife, Wendy.

Tim Boucher has proven himself to be an outstanding citizen and volunteer in his community and is a role model to us all. It is an honor and a pleasure to represent him in the U.S. Senate.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–553. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled ''VISAS: Reissuance of O and P Nonimmigrant Visas'' (RIN1400–AA96) received on January 30, 2001; to the Committee on Foreign Relations.

EC–554. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report concerning pesticide registration Notice 2001–1; to the Committee on Agriculture, Nutrition, and Forestry.

EC–555. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report concerning pesticide registration Notice 2001–2; to the Committee on Agriculture, Nutrition, and Forestry.

EC–556. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report concerning pesticide registration Notice 2001–3; to the Committee on Agriculture, Nutrition, and Forestry.

EC–557. A communication from the Board of the Railroad Retirement Board, transmitting, pursuant to law, a report on the Consumer Price Index computation error for the year 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–558. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–521, ''Noise Control Temporary Amendment''; to the Committee on Governmental Affairs.

EC–559. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–531, ''Closing of O Street, N.E., S.O. 98–124, and Closing of Public Alleys in Square 670, S.O. 90–235, Act of 2000''; to the Committee on Governmental Affairs.

EC–560. A communication from the Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Interagency Guidelines Establishing Standards for Safeguarding Customer Information

and Rescission of Year 2000 Standards for Safety and Soundness'' (RIN1557–AB84) received on February 1, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–561. A communication from the President of the United States, transmitting, pursuant to law, a report concerning the Export Administration Act of 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–562. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Transfer and Cross-Collateralization of Clean Water State Revolving Funds and Drinking Water State Revolving Funds'' received on February 1, 2001; to the Committee on Environment and Public Works.

EC–563. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report relating to the Provisions of TSCA in the Foreign Trade Zones; to the Committee on Environment and Public Works.

EC–564. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report concerning pollution prevention grants; to the Committee on Environment and Public Works.

EC–565. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Environmental Program Grants-State, Interstate, and Local Government Agencies; Delay of Effective Date'' (FRL6942–7) received on February 2, 2001; to the Committee on Environment and Public Works.

EC–566. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; New York 15 and 9 Percent of Progress Plans, Phase I Ozone Implementation Plan'' (FRL6940–1) received on February 2, 2001; to the Committee on Environment and Public Works.

EC–567. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Delaware; Revisions to New Source Review'' (FRL6941–3) received on February 2, 2001; to the Committee on Environment and Public Works.

EC–568. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Amendments to Standards of Performance for New Stationary Sources; Monitoring Requirements: Delay of Effective Date'' (FRL6942–8) received on February 2, 2001; to the Committee on Environment and Public Works.

EC–569. A communication from the President of the United States, transmitting, pursuant to law, a report concerning the Air Force operations near Groom Lake, Nevada; to the Committee on Environment and Public Works.

EC–570. A communication from the Counsel for Legislation and Regulations, Office of the Secretary, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Revision to the Application Process for Community Development Block Grants for Indian Tribes and Alaska Native Villages; Delay of Effective Date'' (RIN2577–AC22) received on February 12, 2001; to the Committee on Indian Affairs.

EC–571. A communication from the Director of the Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Additional Authorization to Issue Certificates for Foreign Health Care Workers; Speech Language Pathologist and Audiologists, Medical Technologists and Technicians and Physician Assistants'' ((RIN1115–AE73)(INS2089–00)) received on February 12, 2001 ; to the Committee on the Judiciary.

EC–572. A communication from the Director of the Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Temporary Protected Status; Amendments to the Requirements for Employment Authorization Fees, and Other Technical Amendments'' ((RIN115–AF01)(INS1972–99)) received on February 12, 2001; to the Committee on the Judiciary.

EC–573. A communication from the Director of the Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Clarification of Parole Authority'' ((RIN1115–AF53)(INS2001–99)) received on February 12, 2001; to the Committee on the Judiciary.

EC–574. A communication from the Director of the Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Clarification of Parole Authority; Delay of Effective Date'' ((RIN1115–AF53)(INS2004–99)) received on February 12, 2001; to the Committee on the Judiciary.

EC–575. A communication from the Director of the Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Temporary Protected Status; Amendments to the Requirements for Employment Authorization Fee, and Other Technical Amendments; Delay of Effective Date'' ((RIN1115–AF01)(INS1972–99)) received on February 12, 2001; to the Committee on the Judiciary.

EC–576. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Flutolanil, N-(3-(1-Methylethoxy)Phenyl)-2-(Trifuoromethly) Benzamide; Pesticide Tolerance'' ((RIN2070–AB78) (FRL6761–1)) received on February 8, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–577. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Dilmethyloplysiloxane; Tolerance Exemption'' ((RIN2070–AB78)(FRL6762–1)) received on February 8, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–578. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clomazone; Pesticide Tolerance'' ((RIN2070–AB78)(FRL6764–2)) received on February 8, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–579. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Carboxin; Extension of Tolerance for Emergency Exemptions'' ((RIN2070–AB78)(FRL6762–9)) received on February 8, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–580. A communication from the Deputy Secretary, Office of the General Counsel, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Adjustments to Civil Monetary Penalties—2001'' (RIN3235–AI07) received on February 12, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–581. A communication from the Deputy Secretary of the Division of Corporation Finance, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Integration of Abandoned Offerings'' (RIN3235–AG83) received on February 12, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–582. A communication from the Assistant to the Board of Governors of the Federal Reserve System, transmitting, pursuant to law , the report of a rule entitled ''Financial Subsidiaries'' (Docket No. R–1066) received on February 12, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–583. A communication from the Counsel for Legislation and Regulations, Office of the Secretary, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Rule to Deconcentrate Poverty and Promote Integration in Public Housing; Change in Applicability Date of Deconcentration Component of PHA Plan'' (RIN2577–AB89) received on February 12, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–584. A communication from the Counsel for Legislation and Regulations, Office of the Secretary, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Determining Adjusted Income in HUD Programs Serving Persons With Disabilities; Requiring Mandatory Deductions for Certain Expenses ; and Disallowance for Earned Income; Delay of Effective Date'' (RIN2501–AC72) received on February 12, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–585. A communication from the Counsel for Legislation and Regulations, Office of the Secretary, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Discontinuance of the Section 221(d)(2) Mortgage Insurance Program; Delay of Effective Date'' (RIN2502–AH50) received on February 12, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–586. A communication from the Counsel for Legislation and Regulations, Office of the Secretary, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Revision of Freedom of Information Act Regulations; Delay of Effective Date'' (RIN2501–AC51) received on February 12, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–587. A communication from the Acting Assistant General Counsel for Regulations, Office of Special Education and Rehabilitative Services, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Delay of Effective Date; State Vocational Rehabilitation Services Program'' received on February 12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–588. A communication from the Acting Assistant General Counsel for Regulations, Office of Special Education and Rehabilitative Services, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Delay of Effective Date; Developing Hispanic-Serving Institutions Program'' received on February 12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–589. A communication from the Acting Assistant General Counsel for Regulations, Office of Special Education and Rehabilitative Services, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Delay of Effective Date; Assistance to States for the Education of Children with Disabilities'' received on February

12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–590. A communication from the Acting Assistant General Counsel for Regulations, Office of Special Education and Rehabilitative Services, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Delay of Effective Date; State Vocational Rehabilitation Services Program'' received on February 12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–591. A communication from the Deputy Assistant Secretary for Program Operations, Pension and Welfare Benefits Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''National Medical Support Notice: Delay of Effective Date'' (RIN1210–AA72) received on February 12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–592. A communication from the Acting Director, Directorate of Health Standards Programs, Occupational Safety and Health Administration, transmitting, pursuant to law, the report of a rule entitled ''Occupational Exposure to Bloodborne Pathogens; Needlestick and Other Sharps Injuries'' (RIN1218–AB85) received on February 12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–593. A communication from the Director, Directorate of Construction, Occupational Safety and Health Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''Safety Standards for Steel Erection'' (RIN1218–AA65) received on February 12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–594. A communication from the Director, Directorate of Safety Standards, Occupational Safety and Health Administration, transmitting , pursuant to law, the report of a rule entitled ''Occupational Injury and Illness Recording and Recording Requirements'' (RIN1218–AB24) received on February 12, 2001; to the Committee on Health, Education, Labor, and Pensions.

EC–595. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–463, ''Approval of the Application for Transfer of Control of District Cablevision, Inc., to AT&T Corporation Act of 2000''; to the Committee on Governmental Affairs.

EC–596. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–464, ''College Savings Act of 2000''; to the Committee on Governmental Affairs.

EC–597. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–460, ''Safe Teenage Driving and Merit Personnel Technical Amendment Temporary Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–598. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–459, ''Motor Vehicle Residential Parking Regulation Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–599. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–457, ''Foster Children's Guardianship Temporary Act of 2000''; to the Committee on Governmental Affairs.

EC–600. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–449, ''Child Support and Welfare Reform Compliance Temporary Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–601. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–448, ''Residential Permit Parking Area Temporary Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–602. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–447, ''Retirement Reform Temporary Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–603. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–406, ''Sentencing Reform Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–604. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–418, ''Freedom From Cruelty to Animals Protection Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–605. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–465, ''Capitol Hill Business Improvement District Procedure Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–606. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13–395, ''Distribution of Marijuana Amendment Act of 2000''; to the Committee on Governmental Affairs.

EC–607. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Large and Midsize Business Division Prefiling Agreement Program'' (Rev. Proc. 2001–22) received on February 12, 2001; to the Committee on Finance.

EC–608. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Update of Rev. Proc. 83–87, 1983–2 C.B. 606, List of Tribal Governments'' (Rev. Proc. 2001–15) received on February 12, 2001; to the Committee on Finance.

EC–609. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Advanced Insurance Commissions'' (Rev. Proc. 2001–24) received on February 12, 2001; to the Committee on Finance.

EC–610. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Modification of Rev. Proc. 99–18 (Debt Substitutions)'' (Rev. Proc. 2001–21) received on February 12, 2001; to the Committee on Finance.

EC–611. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Guidance Under Section 472 Regarding the Dollar-Value LIFO Inventory Method—Used Cars'' (Rev. Proc. 2001–23) received on February 12, 2001; to the Committee on Finance.

EC–612. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Claim Revenue Under a Long-Term Contract'' (UIL0460.02–04) received on February 12, 2001; to the Committee on Finance.

EC–613. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Construction Management Contracts'' (UIL0460.07–01) received on February 12, 2001; to the Committee on Finance.

EC–614. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Advance Payments form Construction Service Contracts'' (UIL0451.13–08) received on February 12, 2001; to the Committee on Finance.

EC–615. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Deductibility of ESOP Redemption Proceeds'' (Rev. Rul. 2001–6) received on February 12, 2001; to the Committee on Finance.

EC–616. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''BLS–LIFO Department Stores Indexes—December 2000'' (Rev. Rul. 2001–9) received on February 12, 2001; to the Committee on Finance.

EC–617. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Retroactive Adoption of and Accident and Health Plan'' (UIL105.06–05) received on February 12, 2001; to the Committee on Finance.

EC–618. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Health Insurance Deductibility for Self-Employed Individuals'' (UIL162.35–02) received on February 12, 2001; to the Committee on Finance.

EC–619. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Treatment of Indian Tribal Governments Under Federal Unemployment Tax Act'' (Ann. 2001–16) received on February 12, 2001; to the Committee on Finance.

EC–620. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice 2001–19, Comments on Research Credit Regulations'' (OGI104925–01) received on February 12, 2001; to the Committee on Finance.

EC–621. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Contingent Liability Tax Shelter'' (Not. 2001–17) received on February 12, 2001; to the Committee on Finance.

EC–622. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Appeals Settlement Guidelines: Health Insurance Deductibility for Self-Employed Individuals'' (UIL162.35–02) received on February 12, 2001; to the Committee on Finance.

EC–623. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''The Voluntary Compliance on Alien Withholding Program (VCAP)'' (Rev. Proc. 2001–20) received on February 12, 2001; to the Committee on Finance.

EC–624. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Security State Bank v. Commissioner'' received on February 12, 2001; to the Committee on Finance.

EC–625. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, the report of a rule entitled ''Update of Employee Plans Correction Procedures in Rev. Proc. 2000–16'' (Rev. Proc. 2001–17) received on February 12, 2001; to the Committee on Finance.

EC–626. A communication from the Chief of the Regulations Branch, Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Merchandise Processing Fee Eligible to be Claimed as Unused Merchandise Drawback'' (RIN1515–AC67) received on February 12, 2001; to the Committee on Finance.

EC–627. A communication from the Chief of the Regulations Branch, Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Technical Amendments to the Customs Regulations'' (T.D. 01–14) received on February 12, 2001; to the Committee on Finance.

EC–628. A communication from the Chief of the Regulations Branch, Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Import Restrictions Imposed on Certain Archaeological Material in Italy and Representing the Pre-Classical, Classical, and Imperial Roman Periods'' (RIN1515–AC66) received on February 12, 2001; to the Committee on Finance.

EC–629. A communication from the Federal Register Liaison Officer, Office of Thrift Supervision, Department of the Treasury, transmitting , pursuant to law, the report of a rule entitled ''Rules of Practice and Procedure for Adjudicatory Proceedings; Civil Money Penalty Inflation Adjustment'' (RIN1550–AB41) received on February 12, 2001; to the Committee on Finance.

EC–630. A communication from the Acting Commissioner of Social Security, transmitting, pursuant to law, a report concerning the effects of the consumer price index on benefits, and a proposal for compensation; to the Committee on Finance.

EC–631. A communication from the Attorney-Advisor of the Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Federal Government Participation in the Automated Clearing House'' (RIN1510–AA81) received on February 8, 2001; to the Committee on Finance.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. SHELBY:

S. 302. A bill to amend the Internal Revenue Code of 1986 to reduce the maximum capital gain tax rate for gains from property held for more than 5 or 10 years; to the Committee on Finance.

By Mr. LIEBERMAN (for himself, Mr. BAYH, Ms. LANDRIEU, Mrs. LINCOLN, Mr. KOHL, Mr. GRAHAM, Mr. BREAUX, Mr. KERRY, Mrs. FEINSTEIN, Mr. CARPER, and Mr. NELSON of Florida):

S. 303. A bill to amend the Elementary and Secondary Education Act of 1965, to reauthorize and make improvements to that Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HATCH (for himself, Mr. LEAHY, Mr. BIDEN, Mr. DEWINE, and Mr. THURMOND):

S. 304. A bill to reduce illegal drug use and trafficking and to help provide appropriate drug education, prevention, and treatment programs; to the Committee on the Judiciary.

By Mr. SMITH of New Hampshire:

S. 305. A bill to amend title 10, United States Code, to remove the reduction in the amount of Survivor Benefit Plan annuities at age 62; to the Committee on Armed Services.

By Mr. TORRICELLI (for himself, Mr. HUTCHINSON, Mr. LIEBERMAN, Mr. SESSIONS, Mr. BREAUX, Mr. FRIST, Mr. MILLER, Mr. ENZI, Mr. GREGG, Mr. THOMPSON, Mr. HAGEL, Mr. BROWNBACK, Mr. SANTORUM, Mr. KYL, Mr. VOINOVICH, Mr. DEWINE, and Mr. CLELAND):

S. 306. A bill to amend the Internal Revenue Code of 1986 to expand the use of education individual retirement accounts, and for other purposes; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 307. A bill to provide grants to State educational agencies and local educational agencies for the provision of classroom-related technology training for elementary and secondary school teachers; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. FEINSTEIN:

S. 308. A bill to award grants for school construction; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. FEINSTEIN:

S. 309. A bill to amend the Elementary and Secondary Education Act of 1965 to specify the purposes for which funds provided under subpart 1 of part A of title I may be used; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 310. A bill to designate the United States courthouse located at 1 Courthouse Way in Boston, Massachusetts, as the ''John Joseph Moakley United States Courthouse''; to the Committee on Environment and Public Works.

By Mr. DOMENICI (for himself, Mr. DODD, Mr. COCHRAN, Mr. CLELAND, Mr. FRIST, Mr. KENNEDY, and Mr. HARKIN):

S. 311. A bill to amend the Elementary and Secondary Education Act of 1965 to provide for partnerships in character education; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. ROBERTS, Mr. CONRAD, Mr. BROWNBACK, Mrs. LINCOLN, Mr. BURNS, Mr. CRAIG, Mr. LUGAR, Mr. ENZI, Mr. NELSON of Nebraska, and Mr. STEVENS):

S. 312. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers and fishermen, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. ROBERTS, Mrs. HUTCHISON, Mr. BURNS, Mr. BREAUX, Mr. HATCH, Mr. CRAIG, Mr. ALLARD, Mr. LUGAR, Mr. GRAMM, Mr. HAGEL, Mr. BUNNING, Mr. DEWINE, Mr. BOND, Mr. FITZGERALD, Mr. CONRAD, Mr. MURKOWSKI, Mr. STEVENS, Mr. KYL, Mr. BROWNBACK, and Mr. SESSIONS):

S. 313. A bill to amend the Internal Revenue Code of 1986 to provide for Farm, Fishing, and Ranch Risk Management Accounts, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY:

S. 314. A bill to amend the Internal Revenue Code of 1986 to provide declaratory judgment relief for section 521 cooperatives; to the Committee on Finance.

By Mr. BROWNBACK (for himself, Mr. DORGAN, Mr. DASCHLE, Mr. LUGAR, Mr. LEVIN, Mr. ROBERTS, Mr. BURNS, Mr. JEFFORDS, Mr. BAUCUS, Mr. DEWINE, Mr. HARKIN, Mr. CRAIG, Mr. JOHNSON, Mr. LEAHY, Mr. BINGAMAN, and Mr. BOND):

S. 315. A bill to amend the Internal Revenue Code of 1986 to treat payments under the Conservation Reserve Program as rentals from real estate; to the Committee on Finance.

By Mr. MCCONNELL (for himself, Mr. GREGG, Mr. FRIST, Mr. MILLER, Mr. LOTT, Mr. DEWINE, Mr. ENZI, Mr. HUTCHINSON, Mr. SESSIONS, and Mr. CARPER):

S. 316. A bill to provide for teacher liability protection; to the Committee on the Judiciary.

By Mr. SCHUMER (for himself and Mr. THURMOND):

S. 317. A bill to establish grants for drug treatment alternative to prison programs administered by State or local prosecutors; to the Committee on the Judiciary.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. DODD, Mr. KENNEDY, Mr. BIDEN, Mr. BINGAMAN, Mrs. CLINTON, Mr. DURBIN, Mr. INOUYE, Mr. KERRY, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SCHUMER, and Mr. CORZINE):

S. 318. A bill to prohibit discrimination on the basis of genetic information with respect to health insurance; to the Committee on Health, Education, Labor, and Pensions.

By Mr. MCCAIN (for himself, Mr. HOLLINGS, and Mrs. HUTCHISON):

S. 319. A bill to amend title 49, United States Code, to ensure that air carriers meet their obligations under the Airline Customer Service Agreement, and provide improved passenger service in order to meet public convenience and necessity; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH (for himself and Mr. LEAHY):

S. 320. A bill to make technical corrections in patent, copyright, and trademark laws; placed on the calendar.

By Mr. GRASSLEY (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. BAUCUS, Ms. SNOWE, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. BREAUX, Mr. CONRAD, Mr. GRAHAM, Mr. BINGAMAN, Mr. KERRY, Mr. TORRICELLI, Mrs. LINCOLN, Mr. AKAKA, Mr. BAYH, Mr. BIDEN, Mrs. BOXER, Mr. BYRD, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Ms. COLLINS, Mr. CORZINE, Mr. CRAPO, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mrs. FEINSTEIN, Mr. FRIST, Mr. HARKIN, Mr. HELMS, Mr. INOUYE, Mr. JOHNSON, Mr. KOHL, Ms. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Ms. MIKULSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. REED, Mr. REID, Mr. ROBERTS, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Mr. THOMAS, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE):

S. 321. A bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes; to the Committee on Finance.

By Mr. COCHRAN (for himself, Mr. FRIST, and Mr. LEAHY):

S.J. Res. 5. A joint resolution providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the

Smithsonian Institution; to the Committee on Rules and Administration.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. HARKIN, Ms. MIKULSKI, Mr. FRIST, Mr. SCHUMER, Mr. SARBANES, Ms. COLLINS, Mr. DEWINE, Mr. HUTCHINSON, Ms. SNOWE, Mr. COCHRAN, Mr. SANTORUM, and Mrs. MURRAY):

S. Res. 19. A resolution to express the Sense of the Senate that the Federal investment in biomedical research should be increased by $3,400,000,000 in fiscal year 2002; to the Committee on Appropriations.

By Mr. HARKIN (for himself, Mr. FEINGOLD, Mr. REED, Mr. LEAHY, Mr. KENNEDY, Mr. WELLSTONE, and Mr. KOHL):

S. Con. Res. 9. A concurrent resolution condemning the violence in East Timor and urging the establishment of an international war crimes tribunal for prosecuting crimes against humanity that occurred during that conflict; to the Committee on Foreign Relations.

By Mr. CRAIG (for himself, Mr. LOTT, Mr. CRAPO, and Mr. BENNETT):

S. Con. Res. 10. A concurrent resolution expressing the sense of the Senate regarding the Republic of Korea's unlawful bailout of Hyundai Electronics; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SHELBY:

S. 302. A bill to amend the Internal Revenue Code of 1986 to reduce the maximum capital gain tax rate for gains from property held for more than 5 or 10 years; to the Committee on Finance.

Mr. SHELBY. Mr. President, I rise today to introduce legislation that would reduce the capital gains tax for properties held for more than five or ten years. Such legislation is needed to help increase investment and to decrease inefficient economic behavior.

Under current law, people holding capital property are often discouraged from selling their property because of the large anticipated tax liability. Such a ''lock-in'' of assets is economically undesirable. Economists have estimated that perhaps as much as 7.5 trillion dollars are ''locked-in'' the portfolios of American taxpayers. By reducing the tax on certain long term capital gains, we would decrease the ''lock-in'' effect and allow investors to liquidate or hold capital assets based on market factors rather than the tax code.

Opponents to lower taxation of capital gains argue that reducing capital gains tax rates would result in a revenue shortfall. Such an argument fails to recognize the effect that reduced taxes will have on investment behavior. By lowering taxes on capital gains, we will encourage, rather than discourage, capital investment. I believe the resulting situation would be a rise in the number of investment transactions and in the amount of gain realized in each taxable year which will in turn lead to an increase in tax revenue. This trend has been well-documented as evidenced by the fact that every capital gains tax reduction in the last forty years has resulted in increased federal revenue. In addition to increasing federal revenue, a cut in the capital gain tax rates would benefit individual states, as a vast majority of them also tax capital gains.

The current capital gains tax dissuades investment and economic growth. By lowering the capital gains tax rates, my bill would help lower the cost of capital and spur economic growth. I urge my colleagues to join me in support of the bill. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 302

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REDUCTION IN MAXIMUM CAPITAL GAIN RATES FOR 5-YEAR AND 10-YEAR GAINS.

(a) IN GENERAL.—Paragraph (2) of section 1(h) of the Internal Revenue Code of 1986 (relating to maximum capital gains rate) is amended to read as follows:

''(2) REDUCED CAPITAL GAIN RATES FOR QUALIFIED 5-YEAR AND 10-YEAR GAIN.—

''(A) REDUCTION IN 10-PERCENT RATE.—In the case of any taxable year beginning after December 31, 2001, the rate under paragraph (1)(B) shall be—

''(i) 8 percent with respect to so much of the amount to which the 10-percent rate would otherwise apply as does not exceed qualified 5-year gain,

''(ii) 5 percent with respect to so much of the amount to which the 10-percent rate would otherwise apply as does not exceed qualified 10-year gain, and

''(iii) 10 percent with respect to the remainder of such amount.

''(B) REDUCTION IN 20-PERCENT RATE.—The rate under paragraph (1)(C) shall be—

''(i) 10 percent with respect to so much of the amount to which the 20-percent rate would otherwise apply as does not exceed the lesser of—

''(I) the excess of qualified 5-year gain over the amount of such gain taken into account under subparagraph (A) of this paragraph, or

''(II) the amount of qualified 5-year gain (determined by taking into account only property the holding period for which begins after December 31, 2001),

''(ii) 5 percent with respect to so much of the amount to which the 20-percent rate would otherwise apply as does not exceed the lesser of—

''(I) the excess of qualified 10-year gain over the amount of such gain taken into account under subparagraph (A) of this paragraph, or

''(II) the amount of qualified 10-year gain (determined by taking into account only property the holding period for which begins after December 31, 2001), and

''(iii) 20 percent with respect to the remainder of such amount.

For purposes of determining under the preceding sentence whether the holding period of property begins after December 31, 2001, the holding period of property acquired pursuant to the exercise of an option (or other right or obligation to acquire property) shall include the period such option (or other right or obligation) was held.''.

(b) QUALIFIED 5-YEAR AND 10-YEAR GAIN.—Paragraph (9) of section 1(h) of the Internal Revenue Code of 1986 is amended to read as follows:

''(9) QUALIFIED 5-YEAR AND 10-YEAR GAIN.—For purposes of this subsection—

''(A) QUALIFIED 5-YEAR GAIN.—The term 'qualified 5-year gain' means the aggregate long-term capital gain from property held for more than 5 years but not more than 10 years.

''(B) QUALIFIED 10-YEAR GAIN.—The term 'qualified 10-year gain' means the aggregate long-term capital gain from property held for more than 10 years.

''(C) DETERMINATION OF GAIN.—The determination under subparagraph (A) or (B) shall be made without regard to collectibles gain, gain described in paragraph (7)(A)(i), and section 1202 gain.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

By Mr. LIEBERMAN (for himself, Mr. BAYH, Ms. LANDRIEU, Mrs. LINCOLN, Mr. KOHL, Mr. GRAHAM, Mr. BREAUX, Mr. KERRY, Mrs. FEINSTEIN, Mr. CARPER, and Mr. NELSON of Florida):

S. 303. A bill to amend the Elementary and Secondary Education Act of 1965, to reauthorize and make improvements to that Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. LIEBERMAN. Mr. President, I rise today to join with several of my colleagues in offering a comprehensive education reform proposal that I believe can serve as the foundation for building a bipartisan legislative consensus and ultimately a better future for our children. It is a common-sense strategy that we believe can be the basis for a common ground solution—reinvest in our public schools, reinvent the way we administer them, and restore a sense of responsibility to the children we are supposed to be serving. Hence the title of our bill: the Public Education Reinvention, Reinvestment, and Responsibility Act, or the Three R's for short.

Our Senate New Democrat Coalition originally proposed this plan, which seeks to bring together the best ideas of both parties into a whole new approach to federal education policy, during the debate last year on the reauthorization of the Elementary and Secondary Education Act. We drew significant interest from Members on both sides of the aisle, as well as from a number of voices in the education reform community, but not enough to overcome the partisan tensions of an election year.

We return to this cause now, at the start of this new session, with the same sense of urgency and a new sense of optimism. Our urgency is driven by the growing public concern about the state of public schools and the consequences of continued inactions. Our optimism is driven by the growing policy consensus about how we in Washington can help our public schools meet the

new challenges of this new age and help every student learn at a high level.

We feel strongly that we cannot afford to wait any longer to craft a serious national response to what is a serious national problem, not when millions of our children are being denied the education they deserve and the New Economy demands. International math and science tests indicate that our students, even the best of the best, are struggling to keep pace with children in other nations. In fact, the most advanced American 12th-graders ranked 15 out of 16 on the advanced math test and 16th out of 16th on the physics test.

Far more troubling, millions of poor children, particularly children of color, are failing to learn even the most basic of skills, which is to say we are failing them. Thirty five years after we passed the Elementary and Secondary Education Act (ESEA) specifically to aid disadvantaged students, black and Hispanic 12th graders are reading and doing math on average at the same level of white 8th-graders.

This pernicious achievement gap cannot be allowed to persist in this land of opportunity. It is not only a matter of equity, but of economics as well. We simply cannot compete in a knowledge-based global marketplace if so much of our future labor force doesn't know how to read, write, and reason. As one report states, ''Students are being unconsciously eliminated from the candidate pool of Information Technology, IT, workers by the knowledge and attitudes they acquire in their K–12 years. Many students do not learn the basic skills of reasoning, mathematics, and communication that provide the foundation for higher education or entry-level jobs in IT work.''

We also have to acknowledge that we have not done a very good job in recent years in providing every child with a well-qualified teacher, which goes a long way toward explaining why this achievement gap persists. Specifically, we are failing to deliver teachers to the classroom who truly know their subject matter. One national survey found that one-fourth of all secondary school teachers did not major in their core area of instruction. What is particularly troubling is that we are failing those children who need our help the most—in the school districts with the highest concentration of minorities, students have less than a 50 percent chance of getting a math or science teacher who has a license or a degree in their field.

We are far from alone in feeling strongly about this problem, Mr. President, and we are encouraged by the bold and innovative reforms that many states and local districts are pursuing to raise standards and expectations and improve the quality of education our children are receiving. They are helping to show us what works and how we in Washington can help.

This is not something we talk enough about, in large part because we do have some serious problems with our schools, but there are in fact plenty of positive developments to highlight in public education today. Over the past year, I have visited a broad range of schools and programs in Connecticut and around the country, and I can tell you that there is much happening in our public schools that we can be heartened by, proud of, and learn from.

There is the exemplary Kennelly School in Hartford, Connecticut, which has to contend with a high-poverty, high-mobility student population, but through intervention programs has had real success improving the reading, writing and math skills of many of its students. In addition, there is the Side by Side Charter School in Norwalk, one of 17 charter schools in Connecticut, which has created an exemplary multi-racial program in response to the challenge of Sheff v. O'Neill to diminish racial isolation. Side by Side is experimenting with a different approach to classroom assignments, having students stay with teachers for two consecutive years to take advantage of the relationships that develop, and by all indications it is working quite well for those kids.

And there is the nationally-recognized BEST program, which, building on previous efforts in Connecticut to raise teacher skills and salaries, is now targeting additional state aid, training, and mentoring support to help local districts nurture new teachers and prepare them to excel. The result is that Connecticut's blueprint is touted by some, including the National Commission on Teaching and America's Future, as a national model for others to follow.

A number of other states, led by Texas and North Carolina, are moving in this same direction—refocusing their education systems not on process but on performance, not on prescriptive rules and regulations but on results. More and more of them are in fact adopting a simple formula—investing in reform, and insisting on results. They are setting high standards, dedicating more resources to help schools meet those new demands, providing more flexibility to experiment with innovative practices, and holding schools responsible for improving their performance.

We as New Democrats believe the best thing we can do to encourage and accelerate this movement, and spur every state to pursue these bold reforms, is to adapt this new approach to the federal level—which is to say, to lead by following. And that is just what our Three R's proposal aims to do. We want to redefine the federal role in education and refocus it on helping states and local districts raise academic achievement, putting the priority for federal programs on performance instead of process, and on delivering results instead of developing rules.

In particular, our plan calls on states and local districts to enter into a new compact with the federal government to work together to strengthen standards and improve educational opportunities, particularly for America's poorest children. It would provide states and local educators with significantly more federal funding and significantly more flexibility in targeting those dollars to meet their specific needs. In exchange, it would demand real accountability, and for the first time impose consequences on schools that continually fail to show progress.

Part of changing our focus means narrowing our focus. We agree with many critics of the status quo that the current maze of federal education programs is too unwieldy, too bureaucratic, and ultimately too diffuse. That is why we eliminate dozens of federally microtargeted, micromanaged programs that are redundant or incidental to our core mission of raising academic achievement. But we also believe that we have a great national interest in promoting broad national educational goals, chief among them delivering on the promise of equal opportunity. It is not only foolish but irresponsible to hand out federal dollars with no questions asked and no thought of national priorities. That is why we carve out separate titles in those areas that we think are critical to helping every child learn at a high level.

The first of our restructured titles would strengthen our longstanding commitment to providing additional aid to disadvantaged children through the Title I program. It would increase funding by 50 percent, up to $13 billion annually, and, perhaps more importantly, target those new funds to schools with the highest concentrations of poverty. The second would combine various teacher training and professional development programs into a single teacher quality grant, increase funding to #2 billion annually, and challenge each state to pursue the kind of bold, performance-based reforms that my own state of Connecticut has undertaken with great success.

The third title would reform the Federal bilingual education program and hopefully defuse the ongoing controversy surrounding it by making absolutely clear that our national mission is to help immigrant children learn and master English and ultimately to meet the same high academic standards as other students. First, recognizing that may limited English proficient students are not being served at all today, we call for dramatically increasing our investment in English acquisition programs, doubling funding to $1 billion a year, which would for the first time be distributed to states and local districts through a reliable formula, based on their LEP student population. As a result, school districts serving large LEP and high poverty student populations would be guaranteed federal funding, and would not be penalized because of their inability to hire savvy proposal writers for competitive grants.

The fourth title would respond to the public demands for greater choice within the public school framework, by providing additional resources for charter school start-ups and new incentives for expanding local, intradistrict choice programs. And the fifth would radically restructure the remaining ESEA programs and provide local districts broad flexibility to address their specific needs. We consolidate more than 20 different programs into a single High Performance Initiatives title, with a focus on supporting and encouraging bold new ideas, expanding access to summer school and after school programs, improving school safety, and building technological literacy. We increase overall funding by more than $200 million to $3.5 billion, and distribute this aid through a formula that targets more resources to the highest poverty areas.

The boldest change we are proposing is to create a new accountability title. As of today, we have plenty of rules and requirements on inputs, on how funding is to be allocated and who must be served, but little if any attention to outcomes, on how schools ultimately perform in educating children. This bill would reverse that imbalance by linking Federal funding to the progress states and local districts make in raising academic achievement. It would call on state and local leaders to set specific performance standards and adopt rigorous assessments for measuring how each district is faring in meeting those goals. In turn, states that exceed those goals would be rewarded with additional funds, and those that fail repeatedly to show progress would be sanctioned. In other words, for the first time, there would be consequences for poor performance.

In considering how exactly to impose those consequences, we have run into understandable concerns about whether you can penalize failing schools without also penalizing children. The truth is that we are punishing many children right now, especially the most vulnerable of them, by forcing them to attend chronically troubled schools that are accountable to no one, a situation that is just not acceptable anymore. We believe there must be consequences for failure, but we make a concerted effort through this bill to minimize the potential negative impact on students. It requires states to set annual performance-based goals and put in place a monitoring system for gauging how local districts are progressing, and also provides additional resources for states to help school districts identify and improve low-performing schools. If after three years a state fails to meet its goals, the state would be penalized by cutting its administrative funding by 50 percent. Only after four years of under performance would dollars targeted for the classroom be put in jeopardy. At that point, protecting kids by continuing to subsidize bad schools becomes more like punishing them.

Although money alone won't improve the quality of our public education, we must invest significantly more resources if we expect to close the achievement gap and truly ''leave no child behind.'' That is why we would boost ESEA funding by $35 billion over the next five years. But we also believe that the impact of this funding will be severely diluted if it is not better targeted to the worst-performing schools and if it is not coupled with a rigorous and vigorous demand for accountability. That is why we narrow the federal focus to a few select national priorities, all of them tied to raising student achievement, and match our investment in reform with an insistence on results.

Judging by what President Bush has said to date, along with Congressional leaders, we believe that there is a lot of room for collaboration and a lot of reason to be hopeful that we can reach bipartisan agreement on a bold, progressive, comprehensive education reform bill this year. We still have some serious differences with the President—not just on vouchers, but on the targeting of federal dollars to the nation's poorest communities, which is critical to our hopes of closing the achievement gap. But we do share a commitment to closing that gap as a national goal, just as we share a commitment to strengthening accountability, broadening flexibility for local schools, spurring innovation, and promoting public school choice. And as some of our colleagues have noted, the framework of our plan shares much in common with the reform blueprint President Bush recently unveiled.

Our bottom line is principles, not programs. We believe we have some good new ideas to realize some great old ideals, chief among them the promise of equal opportunity. But we don't pretend to have a monopoly on them and we are eager to work with both our fellow Democrats and Republicans to find the right balance. There is no one roadmap to reform. But we believe the third way we have charted with our Three R's plan is a good place to start—and hopefully end.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 303

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Public Education Reinvestment, Reinvention, and Responsibility Act'' or the ''Three R's Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

SEC. 2. REFERENCES.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.).

SEC. 3. DECLARATION OF PRIORITIES.

Congress declares that the national educational priorities are to—

(1) introduce real accountability by making public elementary school and secondary school education funding performance-based rather than a guaranteed source of revenue for States and local educational agencies;

(2) require State educational agencies and local educational agencies to establish high student performance objectives, and provide the State educational agencies and local educational agencies with flexibility in using Federal resources to ensure that the performance objectives are met;

(3) concentrate Federal funding on a small number of central education goals, including providing compensatory education for disadvantaged children and youth, improving teacher quality and providing professional development, providing programs for limited English proficient students, public school choice programs, and innovative educational programs, and promoting student safety and the incorporation of educational technology into education;

(4) concentrate Federal education funding on impoverished areas where elementary schools and secondary schools are most likely to be in distress;

(5) sanction State educational agencies and local educational agencies that consistently fail to meet established benchmarks; and

(6) reward State educational agencies, local educational agencies, and elementary schools and secondary schools that demonstrate high performance.

TITLE I—STUDENT PERFORMANCE

SEC. 101. HEADING.

The heading for title I (20 U.S.C. 6301 et seq.) is amended to read as follows:

"TITLE I—STUDENT PERFORMANCE".

SEC. 102. FINDINGS, POLICY, AND PURPOSE.

Section 1001 (20 U.S.C. 6301) is amended to read as follows:

"SEC. 1001. FINDINGS, POLICY AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1) Despite more than 3 decades of Federal assistance, a sizable achievement gap remains between economically disadvantaged and affluent students.

''(2) The 1994 reauthorization of the Elementary and Secondary Education Act of 1965 was an important step in focusing the Nation's priorities on closing the achievement gap between economically disadvantaged and affluent students in the United States. The Federal Government must continue to build on the improvements made in 1994 by holding States and local educational agencies accountable for student achievement.

''(3) States can help close the achievement gap by developing challenging curriculum content and student performance standards so that all elementary school and secondary school students perform at an advanced level. States should implement rigorous and comprehensive student performance assessments, such as the National Assessment of Educational Progress, so as to measure fully the progress of the Nation's students.

''(4) In order to ensure that no child is left behind in the new economy, the Federal Government must better target Federal resources on those children who are most at risk for falling behind academically.

''(5) Funds made available under this title (referred to in this section as 'title I funds') have been targeted on high-poverty areas, but not to the degree the funds should be targeted on those areas, as demonstrated by the following:

''(A) Although 95 percent of schools with poverty levels of 75 percent to 100 percent receive title I funds, 20 percent of schools with poverty levels of 50 to 74 percent do not receive any title I funds.

''(B) Only 64 percent of schools with poverty levels of 35 percent to 49 percent receive title I funds.

''(6) Title I funding should be significantly increased and more effectively targeted to ensure that all economically disadvantaged students have an opportunity to excel academically.

''(7) The Federal Government should provide greater decisionmaking authority and flexibility to schools and teachers in exchange for requiring the schools and teachers to assume greater responsibility for student performance. Federal, State, and local efforts should be focused on raising the academic achievement of all students. The Nation's children deserve nothing less than a policy that holds accountable those responsible for shaping the children's future and the Nation's future.

''(b) POLICY.—It is the policy of the United States to ensure that all students receive a high-quality education by holding States, local educational agencies, and elementary schools and secondary schools accountable for increased student academic performance results, and by facilitating improved classroom instruction.

''(c) PURPOSES.—The purposes of this title are as follows:

''(1) To eliminate the existing 2-tiered educational system, which sets lower academic expectations for economically disadvantaged students than for affluent students.

''(2) To require all States to have challenging content and student performance standards and assessment measures in place.

''(3) To require all States to ensure adequate yearly progress for all students by establishing annual, numerical performance objectives.

''(4) To ensure that all students receiving services under this title receive educational instruction from a fully qualified teacher.

''(5) To support State educational agencies and local educational agencies in identifying, assisting, and correcting low-performing schools.

''(6) To increase Federal funding for programs carried out under part A for economically disadvantaged students in return for increased academic performance of all students.

''(7) To target Federal funding to local educational agencies serving the highest percentages of economically disadvantaged students.''.

SEC. 103. AUTHORIZATION OF APPROPRIATIONS.

Section 1002 (20 U.S.C. 6302) is amended to read as follows:

"SEC. 1002. AUTHORIZATION OF APPROPRIATIONS.

''(a) LOCAL EDUCATIONAL AGENCY GRANTS.—For the purpose of carrying out part A, other than section 1120(e), there are authorized to be appropriated $13,000,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(b) EVEN START.—For the purpose of carrying out part B, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each of the 4 succeeding fiscal years.

''(c) EDUCATION OF MIGRATORY CHILDREN.—For the purpose of carrying out part C, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each of the 4 succeeding fiscal years.

''(d) PREVENTION AND INTERVENTION PROGRAMS FOR YOUTH WHO ARE NEGLECTED, DELINQUENT, OR AT RISK OF DROPPING OUT.—For the purpose of carrying out part D, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each of the 4 succeeding fiscal years.

''(e) CAPITAL EXPENSES.—For the purpose of carrying out section 1120(e), there is authorized to be appropriated $5,000,000 for fiscal year 2002.

''(f) FEDERAL ACTIVITIES.—For the purpose of carrying out sections 1501 and 1502, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each of the 4 succeeding fiscal years.''.

SEC. 104. RESERVATION FOR SCHOOL IMPROVEMENT.

Section 1003 (20 U.S.C. 6303) is amended to read as follows:

"SEC. 1003. RESERVATION FOR SCHOOL IMPROVEMENT.

''(a) STATE RESERVATIONS.—Each State educational agency shall reserve 2.5 percent of the amount the State educational agency receives under part A for fiscal years 2002 and 2003, and 3.5 percent of that amount for fiscal years 2004 through 2006, to carry out subsection (b) and to carry out the State educational agency's responsibilities under sections 1116 and 1117, including carrying out the State educational agency's statewide system of technical assistance and support for local educational agencies.

''(b) USES.—Of the amount reserved under subsection (a) for any fiscal year, the State educational agency shall make available at least 80 percent of such amount directly to local educational agencies for school improvement and corrective action.''.

Subtitle A—Improving Basic Programs Operated by Local Educational Agencies

SEC. 111. STATE PLANS.

Section 1111 (20 U.S.C. 6311) is amended to read as follows:

"SEC. 1111. STATE PLANS.

''(a) PLANS REQUIRED.—

''(1) IN GENERAL.—Any State educational agency desiring a grant under this part shall submit to the Secretary a plan that—

''(A) is developed in consultation with local educational agencies, teachers, pupil services personnel, administrators (including administrators of programs described in other parts of this title), local school boards, other staff, parents, and other entities in the community involved such as institutions of higher education;

''(B) satisfies the requirements of this section; and

''(C) coordinates activities with other programs carried out under this Act, the Individuals with Disabilities Education Act, the Carl D. Perkins Vocational and Technical Education Act of 1998, and the Head Start Act.

''(2) CONSOLIDATED PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidated plan under section 8302.

''(b) STANDARDS, ASSESSMENTS, AND ACCOUNTABILITY.—

''(1) CHALLENGING STANDARDS.—

''(A) IN GENERAL.—Each State plan shall demonstrate that the State has adopted challenging content standards and challenging student performance standards that will be used by the State, and the local educational agencies, and elementary schools and secondary schools, within the State to carry out this part.

''(B) UNIFORMITY.—The standards required by subparagraph (A) shall be the same as the standards that the State applies to all elementary schools and secondary schools within the State and all students attending such schools.

''(C) SUBJECTS.—The State shall have such standards for elementary school and secondary school students served under this part in academic subjects determined by the State, but including at least mathematics, science, and English language arts. The standards shall include the same specifications concerning knowledge, skills, and levels of performance for all students.

''(D) STANDARDS.—Standards adopted under this paragraph shall include—

''(i) challenging content standards in academic subjects that—

''(I) specify what students are expected to know and be able to do;

''(II) contain coherent and rigorous content; and

''(III) encourage the teaching of advanced skills; and

''(ii) challenging student performance standards that—

''(I) are aligned with the State's content standards;

''(II) describe 2 levels of high performance, proficient and advanced levels of performance, that determine how well students are mastering the material in the State content standards; and

''(III) describe a third level of performance, a basic level of performance, to provide complete information about the progress of the lower performing students toward meeting the proficient and advanced levels of performance.

''(E) ADDITIONAL SUBJECTS.—For the academic subjects for which students will receive services under this part, but for which a State is not required under subparagraphs (A), (B), and (C) to develop, and has not otherwise developed, challenging content and student performance standards, the State plan shall describe a strategy for ensuring that economically disadvantaged students acquire the same knowledge, are taught the same skills, and are held to the same expectations as are all students.

''(F) SPECIAL RULE.—In the case of a State that allows local educational agencies to adopt more rigorous standards than the standards set by the State, local educational agencies shall be allowed to implement such rigorous standards.

''(2) ADEQUATE YEARLY PROGRESS.—

''(A) IN GENERAL.—Each State plan shall demonstrate what constitutes adequate yearly progress (based on assessments described in paragraph (4)) of—

''(i) any school that receives assistance under this part toward enabling all students to meet the State's challenging student performance standards;

''(ii) any local educational agency that receives assistance under this part toward enabling all students in schools served by the local educational agency and receiving assistance under this part to meet the State's challenging student performance standards; and

''(iii) the State toward enabling all students in schools in the State and receiving assistance under this part to meet the State's challenging student performance standards.

''(B) DEFINITION.—The adequate yearly progress shall be defined by the State in a manner that—

''(i) applies the same high standards of academic performance to all students in the State;

''(ii) takes into account the progress of all students in the State and served by each local educational agency and school served under section 1114 or 1115;

''(iii) uses the State challenging content and challenging student performance standards and assessments described in paragraphs (1) and (4);

''(iv) compares separately, for each State, local educational agency, and school, the performance and progress of students, disaggregated by each major ethnic and racial group, by gender, by English proficiency status, and by classification as economically disadvantaged students as compared to students who are not economically disadvantaged (except that such disaggregation shall not be required in a case in which the number of students in a category is insufficient to yield statistically reliable information or the results would reveal individually identifiable information about an individual student);

''(v) compares the proportions of students at the basic, proficient, and advanced levels of performance in a grade in a school year with the proportions of students at each of the 3 performance levels in the same grade in the previous school year;

''(vi) endeavors to include other academic measures such as promotion, attendance, drop-out rates, completion of college preparatory courses, college admission tests taken, and secondary school completion, except that failure to meet another academic measure, other than student performance on State assessments aligned with State standards, shall not provide the sole basis for designating a local educational agency or school for improvement;

''(vii) includes annual numerical objectives for improving the performance of all groups described in clause (iv) and narrowing gaps in achievement between those groups in, at least, the areas of mathematics and English language arts; and

''(viii) includes a timeline for ensuring that each group of students described in clause (iv) meets or exceeds the State's proficient level of performance on each State assessment described in paragraph (4) not later than 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(C) ACCOUNTABILITY.—Each State plan shall demonstrate that the State has developed and is implementing a statewide State accountability system that has been or will be effective in ensuring that all local educational agencies, elementary schools, and secondary schools are making adequate yearly progress as defined under section 1111(b)(2). Each State accountability system shall—

''(i) be based on the standards and assessments adopted under paragraphs (1) and (4) and take into account the performance of all students required by law to be included in such assessments;

''(ii) be the same as the accountability system the State uses for all schools or all local educational agencies in the State, if the State has an accountability system for all the schools or all the local educational agencies;

''(iii) provide for the identification of schools or local educational agencies receiving funds under this part that for 3 consecutive years have exceeded such schools' or agencies' adequate yearly progress goals so that information about the practices and strategies of such schools or agencies can be disseminated to other schools served by the local educational agency and other schools in the State and the schools and agencies that have exceeded the goals can be considered for rewards provided under title VII;

''(iv) provide for the identification of schools and local educational agencies for improvement, as required by section 1116, and for the provision of technical assistance, professional development, and other capacity-building as needed, including those measures specified in sections 1116(d)(9) and 1117, to ensure that schools and local educational agencies so identified have the resources, skills, and knowledge needed to carry out their obligations under sections 1114 and 1115 and to meet the requirements for adequate yearly progress described in this paragraph; and

''(v) provide for the identification of schools and local educational agencies for corrective action as required by section 1116, and for the implementation of corrective action against schools and local educational agencies in cases in which such actions are required under such section.

''(D) ANNUAL IMPROVEMENT FOR STATES.—

''(i) 90 PERCENT REQUIREMENT.—Each State plan shall specify that, for a State to make adequate yearly progress under subparagraph (A)(iii), not less than 90 percent of the local educational agencies within the State shall meet the State's criteria for adequate yearly progress.

''(ii) MODIFICATION.—If the application of the 90 percent requirement described in clause (i) would require a fractional number of local educational agencies to meet the criteria, the Secretary shall issue an order modifying the requirement, to the minimum extent necessary, and shall require a substantial number of the agencies to meet the criteria.

''(E) ANNUAL IMPROVEMENT FOR LOCAL EDUCATIONAL AGENCIES.—

''(i) 90 PERCENT REQUIREMENT.—Each State plan shall specify that, for a local educational agency to make adequate yearly progress under subparagraph (A)(ii), not less than 90 percent of the schools served by the local educational agency shall meet the State's criteria for adequate yearly progress.

''(ii) MODIFICATION.—If the application of the 90 percent requirement described in clause (i) would require a fractional number of schools to meet the criteria, the Secretary shall issue an order modifying the requirement, to the minimum extent necessary, and shall require a substantial number of the schools to meet the criteria.

''(F) ANNUAL IMPROVEMENT FOR SCHOOLS.—Each State plan shall specify that, for an elementary school or a secondary school to make adequate yearly progress under subparagraph (A)(i), not less than 90 percent of each group of students described in subparagraph (B)(iv) who are enrolled in such school shall take the assessments described in paragraph (4) and in section 612(a)(17)(A) of the Individuals with Disabilities Education Act.

''(G) PUBLIC NOTICE AND COMMENT.—

''(i) IN GENERAL.—Each State shall submit information in the State plan demonstrating that the State, in developing such plan—

''(I) diligently sought public comment from a range of institutions and individuals in the State with an interest in improved student performance; and

''(II) made and will continue to make a substantial effort to ensure that information regarding content standards, performance

standards, assessments, and the State accountability system is widely known and understood by the public, parents, teachers, and school administrators throughout the State.

''(ii) EFFORT.—The effort described in clause (i)(II), at a minimum, shall include annual publication of such information and explanatory text to the public through such means as the Internet, the media, and public agencies. Languages other than English shall be used to communicate the information and text to parents in appropriate cases.

''(3) STATE AUTHORITY.—If a State educational agency provides evidence that is satisfactory to the Secretary that neither the State educational agency nor any other State government official, agency, or entity has sufficient authority under State law to adopt content and student performance standards, and assessments aligned with such standards, that will be applicable to all students enrolled in the State's public schools, the State educational agency may meet the requirements of this subsection by stating in the State plan that the State is—

''(A) adopting content and student performance standards and assessments that meet the requirements of this subsection, on a statewide basis, and limiting the applicability of such standards and assessments to students served under this part; or

''(B) adopting and implementing policies that ensure that each local educational agency within the State that receives assistance under this part will adopt content and student performance standards and assessments—

''(i) that are aligned with the standards described in subparagraph (A); and

''(ii) that meet the criteria in this subsection and any regulations regarding such standards and assessments that the Secretary may publish and that are applicable to all students served by each such local educational agency.

''(4) ASSESSMENTS.—Each State plan shall demonstrate that the State has implemented a set of high quality, yearly student assessments that includes, at a minimum, assessments in mathematics, science, and English language arts, that will be used, starting not later than the 2002–2003 school year as the primary means of determining the yearly performance of each local educational agency and school served by the State under this title in enabling all students to meet the State's challenging content and student performance standards. Such assessments shall—

''(A) be the same as the assessments used to measure the performance of all students, if the State has assessments that measure the performance of all students;

''(B) be aligned with the State's challenging content and student performance standards, and provide coherent information about the local educational agency's contribution to the student attainment of such standards;

''(C) be used only for purposes for which such assessments are valid and reliable, and be consistent with relevant, nationally recognized professional and technical standards for such assessments;

''(D) measure the performance of students against the challenging State content and student performance standards, and be administered not less than once during—

''(i) grades 3 through 5;

''(ii) grades 6 through 9; and

''(iii) grades 10 through 12;

''(E) include multiple, up-to-date measures of student performance and the local educational agency's contribution to student performance, including measures that assess higher order thinking skills and understanding;

''(F) provide for—

''(i) the participation in such assessments of all students;

''(ii) the reasonable adaptations and accommodations for children with disabilities, as such term is defined in section 602(3) of the Individuals with Disabilities Education Act, that are necessary to measure the performance of such students relative to State content and student performance standards;

''(iii) in the case of a student with limited English proficiency, the assessment of such student in the student's native language if such a native language assessment is more likely than an English language assessment to yield accurate and reliable information on what that student knows and is able to do; and

''(iv) notwithstanding clause (iii), the assessment (using tests written in English) of English language arts of any student who has attended school in the United States (not including the Commonwealth of Puerto Rico) for 3 or more consecutive school years, except that if the local educational agency determines, on a case-by-case individual basis, that assessments in another language and form would likely yield more accurate and reliable information on what such students know and can do, the local educational agency may assess such students in the appropriate language other than English for 1 additional consecutive year beyond the third consecutive year;

''(G) include students who have attended schools served by a local educational agency for a full academic year but have not attended a single school for a full academic year, except that the performance of students who have attended more than 1 school served by the local educational agency in any academic year shall be used only in determining the progress of the local educational agency;

''(H) provide individual student reports to be submitted to parents, including reports containing assessment scores or other information on the attainment of student performance standards;

''(I) enable results to be disaggregated within each State, local educational agency, and school by each major racial and ethnic group, by gender, by English proficiency status, and by classification as economically disadvantaged students as compared to students who are not economically disadvantaged; and

''(J) to the extent practicable, use rigorous criteria.

''(5) FIRST GRADE LITERACY ASSESSMENT.—In addition to implementing the assessments described in paragraph (4), each State receiving funds under this part shall describe in the State plan what reasonable steps the State is taking to assist and encourage local educational agencies—

''(A) to measure literacy skills of first graders in schools receiving funds under this part by providing assessments of first graders that are—

''(i) developmentally appropriate;

''(ii) aligned with State content and student performance standards; and

''(iii) tied to scientifically based research; and

''(B) to assist and encourage local educational agencies receiving funds under this part in identifying and taking developmentally appropriate and effective interventions in any school served under this part in which a substantial number of first graders have not demonstrated grade-level literacy proficiency by the end of the school year.

''(6) LANGUAGE ASSESSMENTS.—Each State plan shall identify the languages other than English and Spanish that are present in the participating student populations in the State, and indicate the languages for which yearly student assessments are not available and are needed. The State may request assistance from the Secretary in identifying assessment measures in the needed languages. Upon request, the Secretary shall assist with the identification of appropriate assessment measures in the needed languages, but shall not mandate a specific assessment or mode of instruction.

''(7) DEVELOPMENT AND IMPLEMENTATION.—Each State plan shall provide that the State shall develop and implement, at a minimum, the assessments described in paragraph (4) in mathematics and English language arts by the 2002–2003 school year.

''(8) REQUIREMENT.—Each State plan shall describe—

''(A) how the State educational agency will assist each local educational agency and school affected by the State plan to develop the capacity to comply with each of the requirements of sections 1114(b), 1115(c), and 1116 that are applicable to such agency or school;

''(B) how the State educational agency will—

''(i) hold each local educational agency affected by the State plan accountable for improved student performance, including describing a procedure for—

''(I) identifying local educational agencies and schools for improvement; and

''(II) assisting local educational agencies and schools identified as described in subclause (I) to address performance problems, including providing thorough descriptions of—

''(aa) the amounts and types of professional development to be provided to instructional staff; and

''(bb) the amount of any financial assistance to be provided by the State under section 1003, and the amount of any funds to be provided through other sources and the activities to be provided with those funds; and

''(ii) implement corrective action if the assistance is not effective;

''(C) how the State educational agency is providing additional academic instruction, such as before- and after-school programs and summer academic programs, to low-performing students;

''(D) such other factors as the State considers to be appropriate to provide students with an opportunity to attain the knowledge and skills described in the State's challenging content standards;

''(E) the specific steps that the State educational agency will take or the specific strategies that the State educational agency will use to ensure that—

''(i) all teachers in the State, in schoolwide programs and targeted assistance programs, are fully qualified not later than December 31, 2006; and

''(ii) economically disadvantaged students and minority students are not taught at higher rates than other students by inexperienced, uncertified or unlicensed, or out-of-field teachers; and

''(F) the measures that the State educational agency will use to evaluate and publicly report the State's progress in improving the quality of instruction in the schools served by the State educational agency and local educational agencies receiving funding under this Act.

''(c) OTHER PROVISIONS TO SUPPORT TEACHING AND LEARNING.—Each State plan shall contain assurances that—

''(1) the State educational agency will work with other agencies, including educational service agencies, or local consortia and institutions to provide technical assistance to local educational agencies, elementary schools, and secondary schools to carry out the State educational agency's responsibilities under this part, including providing

technical assistance concerning providing professional development under section 1119A and technical assistance under section 1117;

''(2)(A) where educational service agencies exist, the State educational agency will consider providing professional development and technical assistance through such agencies; and

''(B) where educational service agencies do not exist, the State educational agency will consider providing professional development and technical assistance through other cooperative arrangements, such as through a consortium of local educational agencies;

''(3) the State educational agency will use the disaggregated results of the student assessments required under subsection (b)(4), and other measures or indicators available to the State, to review annually the progress of each local educational agency and school served under this part in the State to determine whether each such agency and school is making the annual progress necessary to ensure that all students will meet the State's proficient level of performance on the State assessments described in subsection (b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act;

''(4) the State educational agency will provide the least restrictive and burdensome regulations for local educational agencies and individual elementary schools and secondary schools participating in a program assisted under this part;

''(5) the State educational agency will regularly inform the Secretary and the public in the State of any Federal laws that hinder the ability of States to hold local educational agencies and schools accountable for student academic performance, and how the laws hinder that ability;

''(6) the State educational agency will encourage elementary schools and secondary schools to consolidate funds from other Federal, State, and local sources for schoolwide reform in schoolwide programs under section 1114;

''(7) the State educational agency will modify or eliminate State fiscal and accounting barriers so that elementary schools and secondary schools can easily consolidate funds from other Federal, State, and local sources for schoolwide reform in schoolwide programs under section 1114;

''(8) the State educational agency has involved the committee of practitioners established under section 1703(b) in developing the State plan and will involve the committee in monitoring the implementation of the State plan; and

''(9) the State educational agency will inform local educational agencies of the local educational agencies' authority to obtain waivers under title VIII and, if the State is an Ed-Flex Partnership State, waivers under the Education Flexibility Partnership Act of 1999.

''(d) REVIEW.—

''(1) PEER REVIEW AND SECRETARIAL APPROVAL.—The Secretary shall—

''(A) establish a peer review process to assist in the review of State plans;

''(B) only approve a State plan meeting each of the requirements of this section;

''(C) if the Secretary determines that the State plan does not meet each of the requirements of subsections (a), (b), and (c), immediately notify the State of such determination and the reasons for such determination;

''(D) not disapprove a State plan before—

''(i) notifying the State educational agency in writing of the specific deficiencies of the State plan;

''(ii) offering the State an opportunity to revise the State plan;

''(iii) providing technical assistance in order to assist the State to meet the requirements of subsections (a), (b), and (c); and

''(iv) providing a hearing;

''(E) have the authority to disapprove a State plan for not meeting the requirements of this section, but shall not have the authority to require a State, as a condition of approval of the State plan, to include in, or delete from, such plan 1 or more specific elements of the challenging State content standards or to use specific assessment instruments or items; and

''(F) if the Secretary disapproves a State plan that is—

''(i) the first State plan submitted by a State after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act, require the State to submit a revised State plan that meets the requirements of this section to the Secretary for approval not later than 1 year after the date of disapproval; and

''(ii) the second or a subsequent State plan submitted by a State after the date of enactment, require the State to submit such a revised State plan to the Secretary for approval not later than 30 days after the date of disapproval.

''(2) REVIEW.—The Secretary shall review information from the State on the adequate yearly progress of schools and local educational agencies within the State required under subsection (b)(2) for the purpose of determining State and local compliance with section 1116.

''(e) DURATION OF THE PLAN.—

''(1) IN GENERAL.—Each State plan shall—

''(A) remain in effect for the duration of the State's participation under this part; and

''(B) be periodically reviewed and revised by the State, as necessary, to reflect changes in the State's strategies and programs under this part.

''(2) ADDITIONAL INFORMATION.—If the State makes significant changes in the State plan, such as the adoption of new challenging State content standards and State student performance standards, new assessments, or a new definition of adequate yearly progress, the State shall submit information on such significant changes to the Secretary.

''(f) LIMITATION ON CONDITIONS.—Nothing in this part shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State's, local educational agency's, or elementary school's or secondary school's specific challenging content or student performance standards, assessments, curricula, or program of instruction, as a condition of eligibility to receive funds under this part.

''(g) PENALTIES.—

''(1) IN GENERAL.—If a State fails to meet the statutory deadlines for demonstrating that the State has in place challenging content standards and student performance standards (including deadlines for standards required under section 1111(b)(6), as in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act), assessments, and a statewide State accountability system for holding schools and local educational agencies accountable for making adequate yearly progress (including adequate yearly progress with each group of students specified in subsection (b)(2)(B)(iv)), for the fiscal year after the failure, the State shall be ineligible to receive a greater amount of administrative funds under section 1703(c) than the amount the State received for the previous year for the purposes described in section 1703(c).

''(2) ADDITIONAL FUNDS.—Based on the extent to which the standards, assessments, and system described in paragraph (1) are not in place, the Secretary shall withhold from the State, in addition to any amount withheld under paragraph (1), additional administrative funds under section 1703(c). The Secretary shall withhold such additional funds as the Secretary determines to be appropriate, except that if the State fails to meet the deadlines for a second or subsequent fiscal year, the Secretary shall withhold, for the fiscal year after the failure, not less than ⅕ of the amount of administrative funds the State received under section 1703(c) during the first year in which the State failed to meet the deadlines.

''(3) WAIVER.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), notwithstanding part D of title VIII, the Education Flexibility Partnership Act of 1999, or any other provision of law, the Secretary may not grant a waiver of the requirements of this section, except that a State may request a 1-time, 1-year waiver to meet the requirements of this section.

''(B) EXCEPTION.—A waiver granted pursuant to subparagraph (A) shall not apply to the requirements described under subsection (h).

''(h) SPECIAL RULE ON SCIENCE STANDARDS AND ASSESSMENTS.—Notwithstanding subsection (b) and part D of title IV, no State shall be required to meet the requirements under this title relating to science standards or assessments until the beginning of the 2006–2007 school year.''.

SEC. 112. LOCAL EDUCATIONAL AGENCY PLANS.

(a) SUBGRANTS.—Section 1112(a)(1) (20 U.S.C. 6312(a)(1)) is amended by striking ''the Goals 2000: Educate America Act,'' and all that follows and inserting ''the Individuals with Disabilities Education Act, the Carl D. Perkins Vocational and Technical Education Act of 1998, the Head Start Act, and other Acts, as appropriate.''.

(b) PLAN PROVISIONS.—Section 1112(b) (20 U.S.C. 6312(b)) is amended—

(1) in the matter preceding paragraph (1), by striking ''Each'' and inserting ''In order to help low-performing students meet high standards, each'';

(2) in paragraph (1)—

(A) by striking ''part'' each place it appears and inserting ''title''; and

(B) in subparagraph (B), by striking ''children'' and inserting ''low-performing students'';

(3) in paragraph (4)—

(A) in subparagraph (A)—

(i) by striking ''elementary school programs,'' and inserting ''programs, and''; and

(ii) by striking '', and school-to-work transition programs''; and

(B) in subparagraph (B), by striking ''under part C'' the first place it appears and all that follows through ''dropping out'' and inserting ''under part C, neglected or delinquent youth'';

(4) in paragraph (7), by striking ''eligible'';

(5) in paragraph (9), by striking the period and inserting a semicolon; and

(6) by adding at the end the following new paragraphs:

''(10) a description of the actions the local educational agency will take to assist the low-performing schools served by the local educational agency, including schools identified under section 1116 for school improvement;

''(11) a description of how the local educational agency will promote the use of alternative instructional methods, and extended learning time options, such as an extended school year, before- and after-school programs, and summer programs; and

''(12) a description of—

''(A) the steps the local educational agency will take to ensure that all teachers in schoolwide programs and targeted assistance programs assisted under this part are fully qualified not later than December 31, 2006;

''(B) the strategies the local educational agency will use to ensure that economically disadvantaged students and minority students are not taught at higher rates than other students by inexperienced, uncertified or unlicensed, or out-of-field teachers; and

''(C) the measures the agency will use to evaluate and publicly report progress in improving the quality of instruction in schools served by the local educational agency and receiving funding under this Act.''.

(c) ASSURANCES.—Section 1112(c) (20 U.S.C. 6312(c)) is amended to read as follows:

''(c) ASSURANCES.—

''(1) IN GENERAL.—Each local educational agency plan shall provide assurances that the local educational agency will—

''(A) reserve not less than 10 percent of the funds the agency receives under this part for high quality professional development, as described in section 1119A, for professional instructional staff;

''(B) provide eligible schools and parents with information regarding schoolwide program authority and the ability of such schools to consolidate funds from Federal, State, and local sources;

''(C) provide technical assistance and support to schools participating in schoolwide programs;

''(D) work in consultation with schools as the schools develop school plans pursuant to section 1114(b)(2), and assist schools in implementing such plans or undertaking activities pursuant to section 1115(c), so that each school can make adequate yearly progress toward meeting the challenging State student performance standards;

''(E) use the disaggregated results of the student assessments required under section 1111(b)(4), and other measures or indicators available to the agency, to review annually the progress of each school served by the agency and receiving funds under this title to determine whether or not all of the schools are making the annual progress necessary to ensure that all students will meet the State's proficient level of performance on the State assessments described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act;

''(F) set, and hold schools served by the local educational agency accountable for meeting, annual numerical goals for improving the performance of all groups of students based on the performance standards set by the State under section 1111(b)(1)(D)(ii);

''(G) fulfill the local educational agency's school improvement responsibilities under section 1116, including taking corrective actions under section 1116(c)(10);

''(H) provide the State educational agency with—

''(i) an annual, up-to-date, and accurate list of all schools served by the local educational agency that are identified for school improvement and corrective action;

''(ii) the reasons why each school described in clause (i) was identified for school improvement or corrective action; and

''(iii) specific plans for improving student performance in each of the schools described in clause (i), including specific numerical performance goals for each school, for the 2 school years after the school is identified for school improvement, for each group of students specified in section 1111(b)(2)(B)(iv) enrolled in the school;

''(I) provide services to eligible students attending private elementary schools and secondary schools in accordance with section 1120, and provide timely and meaningful consultation with private school officials regarding such services;

''(J) take into account the experience gained from model programs for the educationally disadvantaged and the findings of relevant scientifically based research when developing technical assistance plans for, and delivering technical assistance to, schools served by the local educational agency that are receiving funds under this part and are in school improvement or corrective action status;

''(K) in the case of a local educational agency that chooses to use funds under this part to provide early childhood development services to economically disadvantaged children below the age of compulsory school attendance, ensure that such services meet the performance standards established under subparagraphs (A) and (B) of section 641A(a)(1) of the Head Start Act;

''(L) comply with the requirements of section 1119 regarding the qualifications of teachers and paraprofessionals;

''(M) inform eligible schools served by the local educational agency of the agency's authority to obtain waivers on such schools' behalf under title VIII and, if the State is an Ed-Flex Partnership State, under the Education Flexibility Partnership Act of 1999; and

''(N) coordinate activities and collaborate, to the extent feasible and necessary as determined by the local educational agency, with other agencies providing services to children, youth, and their families.

''(2) MODEL PROGRAMS; SCIENTIFICALLY BASED RESEARCH.—For purposes of enabling local educational agencies to implement paragraph (1)(J)—

''(A) the Secretary shall consult with the Secretary of Health and Human Services on the implementation of such paragraph, and shall establish procedures (taking into consideration State and local laws and local teacher contracts) to assist local educational agencies to comply with such paragraph;

''(B) the Secretary shall disseminate to local educational agencies the performance standards issued under subparagraphs (A) and (B) of section 641A(a)(1) of the Head Start Act, on the publication of such standards; and

''(C) local educational agencies affected by such paragraph (1)(J) shall plan for the implementation of such paragraph (taking into consideration State and local laws and local teacher contracts), including pursuing the availability of other Federal, State, and local funding to assist in compliance with such paragraph.

''(3) INAPPLICABILITY.—The provisions of this subsection shall not apply to preschool programs using an Even Start model or to Even Start programs.''.

(d) PLAN DEVELOPMENT AND DURATION.—Section 1112(d) (20 U.S.C. 6312(d)) is amended to read as follows:

''(d) PLAN DEVELOPMENT AND DURATION.—

''(1) CONSULTATION.—Each local educational agency plan shall be developed in consultation with teachers, principals, local school boards, administrators (including administrators of programs described in other parts of this title), other appropriate school personnel, and parents of students in elementary schools and secondary schools served under this part.

''(2) DURATION.—Each plan described in paragraph (1) shall remain in effect for the duration of the local educational agency's participation under this part.

''(3) REVIEW.—Each local educational agency shall periodically review and, as necessary, revise the agency's plan.''.

(e) STATE APPROVAL.—Section 1112(e) (20 U.S.C. 6312(e)) is amended to read as follows:

''(e) PEER REVIEW AND STATE APPROVAL.—

''(1) IN GENERAL.—Each local educational agency plan shall be filed according to a schedule established by the State educational agency.

''(2) APPROVAL.—The State educational agency shall establish a peer review process to assist in the review of local educational agency plans. The State educational agency shall approve a local educational agency plan only if the State educational agency determines that the local educational agency plan—

''(A) will enable elementary schools and secondary schools served by the local educational agency and under this part to help all groups of students specified in section 1111(b)(2)(B)(iv) to meet the State's proficient level of performance on the State assessments described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act; and

''(B) meets each of the requirements of this section.

''(3) STATE REVIEW.—Each State educational agency shall at least annually review each local educational agency plan approved by the State educational agency under this subsection, including comparing the objectives of the plan against the results of the disaggregated assessments required under section 1111(b)(4). The State educational agency shall conduct the review to ensure that the progress of all students in schools served by a local educational agency in the State under this part is adequate to ensure that all students in the State will meet the State's proficient level of performance on the State assessments described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(4) PUBLIC REVIEW.—Each State educational agency will make publicly available each such local educational agency plan.''.

(f) PARENTAL NOTIFICATION FOR ENGLISH LANGUAGE INSTRUCTION.—Section 1112 (20 U.S.C. 6312) is amended by adding at the end the following:

''(g) PARENTAL NOTIFICATION FOR ENGLISH LANGUAGE INSTRUCTION.—

''(1) NOTIFICATION.—If a local educational agency uses funds under this part to provide English language instruction to limited English proficient students, the local educational agency shall notify the parents of a student participating in an English language instruction educational program under this part of—

''(A) the reasons for the identification of the student as being in need of English language instruction;

''(B) the student's level of English proficiency, how such level was assessed, and the status of the student's academic performance;

''(C) how the English language instruction educational program will specifically help the student learn English and meet age-appropriate standards for grade promotion and graduation;

''(D) the specific exit requirements of the English language instruction educational program;

''(E) the expected rate of graduation from the English language instruction educational program into mainstream classes; and

''(F) the expected rate of graduation from secondary school of participants in the English language instruction educational program, if funds under this part are used for students in secondary schools.

''(2) PARENTAL RIGHTS.—

''(A) IN GENERAL.—The parents of a student participating in an English language instruction educational program under this part shall—

''(i) have the option of selecting among methods of instruction, if more than 1 method is offered for the program; and

''(ii) have the right to have their child immediately removed from the program on their request.

''(B) RECEIPT OF INFORMATION.—The parents of a student identified for participation in an English language instruction educational program under this part shall receive, in a manner and form understandable to the parents, the information required by paragraph (1) and this paragraph. At a minimum, the parents shall receive—

''(i) timely information about English language instruction educational programs for limited English proficient students assisted under this part; and

''(ii) if the parents of a participating student so desire, notice of opportunities for regular meetings of parents of limited English proficient students participating in English language instruction educational programs under this part for the purpose of formulating and responding to recommendations from such parents.

''(3) BASIS FOR ADMISSION OR EXCLUSION.—No student shall be admitted to or excluded from any federally assisted education program solely on the basis of a surname or language minority status.''.

SEC. 113. SCHOOLWIDE PROGRAMS.

(a) USE OF FUNDS FOR SCHOOLWIDE PROGRAMS.—Section 1114(a) (20 U.S.C. 6314(a)) is amended—

(1) in paragraph (1), by striking ''school described in subparagraph (A)'' and all that follows through ''such families.'' the second place it appears and inserting ''school that serves an eligible school attendance area if—

''(A) not less than 40 percent of the children in the school attendance area are from economically disadvantaged families; or

''(B) not less than 40 percent of the children enrolled in the school are from such families.''; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''subsections (c)(1) and (e) of''; and

(B) in subparagraph (B), by striking ''subsections (c)(1) and (e) of''.

(b) COMPONENTS OF A SCHOOLWIDE PROGRAM.—Section 1114(b) (20 U.S.C. 6314(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''section 1111(b)(1)'' and inserting ''section 1111(b)'';

(B) in subparagraph (B)—

(i) in clause (i), by striking ''section 1111(b)(1)(D)'' and inserting ''1111(b)'';

(ii) in clause (iii)(II), by inserting ''and'' after the semicolon;

(iii) in clause (iv)(II), by striking ''; and'' and inserting a period; and

(iv) by striking clause (vii); and

(C) in subparagraph (G), by striking ''section 1112(b)(1)'' and inserting ''section 1112''; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act'';

(ii) by striking ''subsections (c)(1) and (e) of''; and

(iii) in clause (iv), by striking ''section 1111(b)(3)'' and inserting ''section 1111(b)(4)'';

(B) in subparagraph (B), by striking ''paragraphs (1) and (3) of section 1111(b)'' and inserting ''paragraphs (1) and (4) of section 1111(b)''; and

(C) in subparagraph (C)(i)—

(i) in subclause (I), by striking ''subsections (c) and (e) of''; and

(ii) in subclause (II), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act''.

SEC. 114. SCHOOL CHOICE.

Section 1115A (20 U.S.C. 6316) is amended to read as follows:

''SEC. 1115A. SCHOOL CHOICE.

''(a) CHOICE PROGRAMS.—A local educational agency may use funds under this part, in combination with State, local, and private funds, to develop and implement public school choice programs, for students eligible for assistance under this part, that permit parents to select the public school that their child will attend and are consistent with State and local law, policy, and practice related to public school choice and local pupil transfer.

''(b) CHOICE PLAN.—A local educational agency that chooses to implement a public school choice program under this section shall first develop a plan that—

''(1) contains an assurance that all eligible students, across grade levels, who are served under this part will have equal access to the program;

''(2) contains an assurance that the program does not include elementary schools or secondary schools that follow a racially discriminatory policy in providing services to students;

''(3) describes how elementary schools or secondary schools will use resources under this part, and from other sources, to implement the plan;

''(4) contains an assurance that the plan has been developed with the involvement of parents and others in the community to be served, and individuals who will carry out the plan, including administrators, teachers, principals, and other staff;

''(5) contains an assurance that parents of eligible students served by the local educational agency will be given prompt notice of the existence of the public school choice program, and the program's availability to such parents, and a clear explanation of how the program will operate;

''(6) contains an assurance that the public school choice program—

''(A) will include charter schools (as defined in section 4210) and any other public elementary school or secondary school served by the local educational agency; and

''(B) will not include as a school receiving transfers under the program an elementary school or a secondary school that the local educational agency determines—

''(i) is in school improvement or corrective action status;

''(ii) has been in school improvement or corrective action status during the 2 academic years before the determination; or

''(iii) is at risk of being identified for school improvement or corrective action during the academic year after the determination;

''(7) contains an assurance that transportation services or the costs of transportation to and from a public school to which a student transfers under the public school choice program—

''(A) may be provided by the local educational agency with funds under this part and funds from other sources; and

''(B) shall not be provided using more than 10 percent of the funds made available under this part to the local educational agency; and

''(8) contains an assurance that such local educational agency will comply with the other requirements of this part.''.

SEC. 115. ASSESSMENT AND LOCAL EDUCATIONAL AGENCY AND SCHOOL IMPROVEMENT.

(a) LOCAL REVIEW.—Section 1116(a) (20 U.S.C. 6317(a)) is amended—

(1) in paragraph (2), by striking ''1111(b)(2)(A)(i)'' and inserting ''1111(b)(2)'';

(2) in paragraph (3)—

(A) by striking ''individual school performance profiles'' and inserting ''school report cards'';

(B) by striking ''1111(b)(3)(I)'' and inserting ''1111(b)(4)(I)''; and

(C) by striking ''and'' after the semicolon;

(3) in paragraph (4), by striking the period and inserting ''; and''; and

(4) by adding at the end the following:

''(5) review the effectiveness of the actions and activities the schools are carrying out under this part with respect to parental involvement.''.

(b) SCHOOL IMPROVEMENT.—Section 1116(c) (20 U.S.C. 6317(c)) is amended to read as follows:

''(c) SCHOOL IMPROVEMENT.—

''(1) IN GENERAL.—A local educational agency shall identify for school improvement any elementary school or secondary school served under this part that—

''(A) for 2 consecutive years failed to make adequate yearly progress as defined in the State's plan under section 1111(b)(2); or

''(B) was in school improvement status under this section on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(2) TRANSITION.—The 2-year period described in paragraph (1)(A) shall include any continuous period of time immediately before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act during which an elementary school or a secondary school did not make adequate yearly progress as defined in the State's plan, as such plan was in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(3) TARGETED ASSISTANCE SCHOOLS.—To determine if an elementary school or a secondary school that is conducting a targeted assistance program under section 1115 should be identified for school improvement under this subsection, a local educational agency may choose to review the progress of only the students in such school who are served, or are eligible for services, under this part.

''(4) OPPORTUNITY TO REVIEW AND PRESENT EVIDENCE.—(A) Before identifying an elementary school or a secondary school for school improvement under paragraph (1), the local educational agency shall provide the school with an opportunity to review the school level data, including assessment data, on which the proposed identification is based.

''(B) If the principal of a school proposed for identification for school improvement believes that the proposed identification is in error for statistical or other substantive reasons, the principal may provide supporting evidence to the local educational agency, which shall consider such evidence before making a final determination.

''(5) TIME LIMITS.—Not later than 30 days after a local educational agency makes an initial determination concerning identifying a school served by the agency and receiving assistance under this part for school improvement, the local educational agency shall make public a final determination on the status of the school.

''(6) NOTIFICATION TO PARENTS.—A local educational agency shall, in an easily understandable format, and in the 3 languages, other than English, spoken by the greatest number of individuals in the area served by the local educational agency, provide in writing to parents of each student in an elementary school or a secondary school identified for school improvement—

''(A) an explanation of what the school improvement identification means, and how the school identified for school improvement compares in terms of academic performance to other elementary schools or secondary

schools served by the local educational agency and the State educational agency involved;

''(B) the reasons for such identification;

''(C) a description of the data on which such identification was based;

''(D) an explanation of what the school identified for school improvement is doing to address the problem of low performance;

''(E) an explanation of what the local educational agency or State educational agency is doing to help the school address the performance problem, including an explanation of the amounts and types of professional development being provided to the instructional staff in such school, the amount of any financial assistance being provided by the State educational agency under section 1003, and the activities that are being provided with such financial assistance;

''(F) an explanation of how parents described in this paragraph can become involved in addressing the academic issues that caused the school to be identified for school improvement; and

''(G) an explanation of the right of parents, pursuant to paragraph (7), to transfer their child to a higher performing public school, including a public charter school or magnet school, that is not in school improvement status, and how such transfer will be carried out.

''(7) PUBLIC SCHOOL CHOICE OPTION.—(A)(i) In the case of a school identified for school improvement on or before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act, a local educational agency shall, not later than 18 months after such date of enactment, provide all students enrolled in the school an option to transfer (consistent with State and local law, policy, and practices related to public school choice and local pupil transfer) to any higher performing public school, including a public charter or magnet school, that—

''(I) is not in school improvement or corrective action status;

''(II) has not been in school improvement or corrective action status at any time during the 2 academic years before the identification; and

''(III) is not at risk of being identified for school improvement or corrective action during the academic year after the identification.

''(ii) In the case of a school identified for school improvement after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act, the local educational agency involved shall, not later than 12 months after the date on which the local educational agency identifies the school for school improvement, provide all students enrolled in the school with the transfer option described in clause (i).

''(B) If all public schools served by the local educational agency to which a student may transfer under clause (i) are identified for school improvement or corrective action, or, if public schools in the agency's jurisdiction that are not in school improvement or corrective action status cannot accommodate all of the students who are eligible to transfer because of capacity constraints, or State or local law, policy, and practices related to public school choice and local pupil transfer, the local educational agency shall, to the extent practicable, establish a cooperative agreement with other local educational agencies that serve areas in proximity to the area served by the local educational agency. The cooperative agreement shall enable a student to transfer (consistent with State and local law, policy, and practices related to public school choice and local pupil transfer) to a school served by such other local educational agencies that meets the requirements described in subparagraph (A)(i).

''(C) A local educational agency that serves a school that has been identified for corrective action shall provide transportation services or pay for the costs of transportation for students who transfer to a different school pursuant to this paragraph. Not more than 10 percent of the funds allocated to a local educational agency under this part may be used to provide such transportation services or pay for the costs of such transportation.

''(D) Once a school is no longer identified for school improvement, the local educational agency shall continue to provide the transfer option described in subparagraph (A)(i) to students in such school for a period of not less than 2 years.

''(8) SCHOOL PLAN.—(A) Each school identified under paragraph (1) for school improvement shall, not later than 3 months after being so identified, develop or revise a school plan, in consultation with parents, school staff, the local educational agency serving the school, the local school board, and other outside experts, for approval by such local educational agency. The school plan shall—

''(i) incorporate scientifically based research strategies that strengthen the core academic subjects in the school and address the specific academic issues that caused the school to be identified for school improvement;

''(ii) adopt policies and practices concerning the school's core academic subjects that have the greatest likelihood of ensuring that all groups of students specified in section 1111(b)(2)(B)(iv) and enrolled in the school will meet the State's proficient level of performance on the State assessment described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act;

''(iii) provide an assurance that the school will reserve not less than 10 percent of the funds made available to the school under this part for each fiscal year that the school is in school improvement status, for the purpose of providing to the school's teachers and principal high quality professional development that—

''(I) directly addresses the academic performance problem that caused the school to be identified for school improvement; and

''(II) meets the requirements for professional development activities under section 1119A;

''(iv) specify how the funds described in clause (iii) will be used to remove the school from school improvement status;

''(v) establish specific annual, numerical progress goals for each group of students specified in section 1111(b)(2)(B)(iv) and enrolled in the school that will ensure that all such groups of students will meet the State's proficient level of performance on the State assessment described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act;

''(vi) identify how the school will provide written notification about the identification to parents of each student enrolled in such school, in a format and, to the extent practicable, in a language such parents can understand; and

''(vii) specify the responsibilities of the school, the local educational agency, and the State educational agency serving such school under the plan.

''(B) The local educational agency described in subparagraph (A)(vii) may condition approval of a school plan on inclusion of 1 or more of the corrective actions specified in paragraph (10)(D).

''(C) A school shall implement the school plan (including a revised plan) expeditiously, but not later than the beginning of the school year following the school year in which the school was identified for school improvement.

''(D) The local educational agency described in subparagraph (A)(vii) shall establish a peer review process to assist with review of a school plan prepared by a school served by the local educational agency, promptly review the school plan, work with the school as necessary, and approve the school plan if the school plan meets the requirements of this paragraph.

''(9) TECHNICAL ASSISTANCE.—(A) For each school identified for school improvement under paragraph (1), the local educational agency serving the school shall provide technical assistance as the school develops and implements the school plan.

''(B) Such technical assistance—

''(i) shall include assistance in analyzing data from the assessments required under section 1111(b)(4), and other samples of student work, to identify and address instructional problems and solutions;

''(ii) shall include assistance in identifying and implementing instructional strategies and methods that are tied to scientifically based research and that have proven effective in addressing the specific instructional issues that caused the school to be identified for school improvement;

''(iii) shall include assistance in analyzing and revising the school's budget so that the school resources are more effectively allocated for the activities most likely to increase student performance and to remove the school from school improvement status; and

''(iv) may be provided—

''(I) by the local educational agency, through mechanisms authorized under section 1117; or

''(II) with the local educational agency's approval, by the State educational agency, an institution of higher education (in full compliance with all the reporting provisions of title II of the Higher Education Act of 1965), a private not-for-profit organization or for-profit organization, an educational service agency, the recipient of a Federal contract or cooperative agreement as described under section 7104(a)(3), or another entity with experience in helping schools improve performance.

''(C) Technical assistance provided under this section by a local educational agency or an entity approved by such agency shall be based on scientifically based research.

''(10) CORRECTIVE ACTION.—(A) In this paragraph, the term 'corrective action' means action, consistent with State and local law, that—

''(i) substantially and directly responds to—

''(I) the consistent academic failure of a school that caused the local educational agency to take such action; and

''(II) any underlying staffing, curriculum, or other problem in the school; and

''(ii) is designed to increase substantially the likelihood that students enrolled in the school identified for corrective action will perform at the State's proficient and advanced levels of performance on the State assessment described in section 1111(b)(4).

''(B) In order to help students served under this part meet challenging State standards, each local educational agency shall implement a system of corrective action in accordance with subparagraphs (C) through (H).

''(C) After providing technical assistance under paragraph (9) and subject to subparagraph (G), the local educational agency—

''(i) may identify for corrective action and take corrective action at any time with respect to a school that is served by the local

educational agency and that has been identified under paragraph (1);

''(ii) shall identify for corrective action and take corrective action with respect to any school served by the local educational agency that fails to make adequate yearly progress, as defined by the State under section 1111(b)(2), at the end of the second year after the school year in which the school was identified under paragraph (1); and

''(iii) shall continue to provide technical assistance while instituting any corrective action under clause (i) or (ii).

''(D) In the case of a school described in subparagraph (C)(ii), the local educational agency shall take corrective action by—

''(i)(I) withholding funds from the school;

''(II) making alternative governance arrangements, including reopening the school as a public charter school;

''(III) reconstituting the relevant school staff; or

''(IV) instituting and fully implementing a new curriculum, including providing appropriate professional development for all relevant staff, that is tied to scientifically based research and offers substantial promise of improving educational performance for low-performing students; and

''(ii)(I) authorizing students to transfer (consistent with the requirements of paragraph (7)) to higher performing public schools served by the local educational agency, including public charter and magnet schools; and

''(II) providing to such students transportation services, or paying for the cost of transportation, to such schools (except that the funds used by the local educational agency to provide the transportation services or pay for the cost of transportation shall not exceed 10 percent of the amount allocated to the local educational agency under this part.

''(E) A local educational agency may delay, for a period not to exceed 1 year, implementation of corrective action only if the school's failure to make adequate yearly progress was justified due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency or school.

''(F) The local educational agency shall publish and disseminate information regarding any corrective action the local educational agency takes under this paragraph at a school—

''(i) to the public and to the parents of each student enrolled in the school subject to corrective action;

''(ii) in a format and, to the extent practicable, in a language that the parents can understand; and

''(iii) through such means as the Internet, the media, and public agencies.

''(G)(i) Before identifying a elementary school or a secondary school corrective action under this paragraph, the local educational agency shall provide the school with an opportunity to review the school level data, including assessment data, on which the proposed identification is based.

''(ii) If the principal of the school believes that the proposed determination is in error for statistical or other substantive reasons, the principal may provide supporting evidence to the local educational agency, which shall consider such evidence before making a final determination.

''(H) Not later than 30 days after a local educational agency makes an initial determination concerning identifying a school served by the agency and receiving assistance under this part, the local educational agency shall make public a final determination on the status of the school.

''(11) STATE EDUCATIONAL AGENCY RESPONSIBILITIES.—If a State educational agency determines that a local educational agency failed to carry out the agency's responsibilities under this section, or determines that, after 1 year of implementation of corrective action, such action has not resulted in sufficient progress in increased student performance, the State educational agency shall take such action as the agency finds necessary, including designating a course of corrective action described in paragraph (10)(D), consistent with this section, to improve the affected schools and to ensure that the local educational agency carries out the local educational agency's responsibilities under this section.

''(12) SPECIAL RULES.—Schools that, for at least 2 of the 3 years following identification under paragraph (1), make adequate yearly progress toward meeting the State's proficient and advanced levels of performance on the State assessment described in section 1111(b)(4) shall no longer be identified for school improvement.''.

(c) STATE REVIEW AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.—Section 1116(d) (20 U.S.C. 6317(d)) is amended to read as follows:

''(d) STATE REVIEW AND LOCAL EDUCATIONAL AGENCY IMPROVEMENT.—

''(1) IN GENERAL.—A State educational agency shall annually review the progress of each local educational agency within the State receiving funds under this part to determine whether schools served by such agencies and receiving assistance under this part are making adequate yearly progress, as defined under section 1111(b)(2), toward meeting the State's student performance standards and to determine whether each local educational agency is carrying out its responsibilities under sections 1116 and 1117.

''(2) IDENTIFICATION OF LOCAL EDUCATIONAL AGENCY FOR IMPROVEMENT.—A State educational agency shall identify for improvement any local educational agency that—

''(A) for 2 consecutive years failed to make adequate yearly progress as defined in the State's plan under section 1111(b)(2); or

''(B) was in improvement status under this section on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(3) TRANSITION.—The 2-year period described in paragraph (2)(A) shall include any continuous period of time immediately before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act during which a local educational agency did not make adequate yearly progress as defined in the State's plan, as such plan was in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(4) TARGETED ASSISTANCE SCHOOLS.—To determine if a local educational agency that serves elementary schools or secondary schools that are conducting targeted assistance programs under section 1115 should be identified for improvement under this subsection, a State educational agency may choose to review the progress of only the students in such schools who are served, or who are eligible for services, under this part.

''(5) OPPORTUNITY TO REVIEW AND PRESENT EVIDENCE.—(A) Before identifying a local educational agency for improvement under paragraph (2), a State educational agency shall provide the local educational agency with an opportunity to review the local educational agency data, including assessment data, on which the proposed identification is based.

''(B) If the local educational agency believes that the proposed identification is in error for statistical or other substantive reasons, the local educational agency may provide supporting evidence to the State educational agency, which shall consider such evidence before making a final determination.

''(6) TIME LIMITS.—Not later than 45 days after the State educational agency makes an initial determination concerning identifying a local educational agency within the State and receiving assistance under this part for improvement, the State educational agency shall make public a final determination on the status of the local educational agency.

''(7) NOTIFICATION TO PARENTS.—The State educational agency shall promptly notify parents of each student enrolled in a school served by a local educational agency identified for improvement, in a format, and to the extent practicable, in a language the parents can understand, of—

''(A) the reasons for such identification; and

''(B) how the parents can participate in upgrading the quality of the local educational agency.

''(8) LOCAL EDUCATIONAL AGENCY PLAN.—(A) Each local educational agency identified under paragraph (2) shall, not later than 3 months after being so identified, develop or revise a local educational agency plan, in consultation with parents, teachers and other school staff, the local school board, and others, for approval by the State educational agency. Such plan shall—

''(i) incorporate scientifically based research strategies that strengthen the core academic subjects in schools served by the local educational agency;

''(ii) identify specific annual numerical academic performance objectives in at least the areas of mathematics and English language arts that the local educational agency will meet, with such objectives being calculated in a manner so that their achievement will ensure that each group of students enrolled in each school served by the local educational agency will meet the State's proficient level of performance on the State assessment described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act; and

''(iii) provide an assurance that the local educational agency will—

''(I) reserve not less than 10 percent of the funds made available to the local educational agency under this part for each fiscal year that the agency is in improvement status for the purpose of providing to teachers and principals at schools served by the agency and receiving funds under this part high quality professional development that—

''(aa) directly addresses the academic performance problem that caused the local educational agency to be identified for improvement; and

''(bb) meets the requirements for professional development activities under section 1119A; and

''(II) specify how the funds described in subclause (I) will be used to remove the local educational agency from improvement status;

''(iv) identify how the local educational agency will provide written notification about the identification to parents described in paragraph (7) in a format and, to the extent practicable, in a language, that such parents can understand, pursuant to paragraph (7);

''(v) specify the responsibilities of the local educational agency and the State educational agency under the plan; and

''(vi) include a review of the local educational agency budget to ensure that resources are allocated for the activities that are most likely to improve student performance and to remove the agency from improvement status.

''(B) The local educational agency shall implement the local educational agency plan

(including a revised plan) expeditiously, but not later than the beginning of the school year following the school year in which the agency was identified for improvement.

''(C) The State educational agency shall establish a peer review process to assist with review of the local educational agency plan, promptly review the plan, work with the local educational agency as necessary, and approve the plan if the plan meets the requirements of this paragraph.

''(D) If the local educational agency budget, in allocating resources to activities, fails to allocate resources as described in subparagraph (A)(vi), the State educational agency may direct the local educational agency to reallocate resources to more effective activities.

''(9) STATE EDUCATIONAL AGENCY RESPONSIBILITY.—For each local educational agency identified under paragraph (2), the State educational agency shall provide technical or other assistance, if requested, as authorized under section 1117, to better enable the local educational agency—

''(A) to develop and implement a local educational agency plan (including a revised plan) that is approved by the State educational agency consistent with the requirements of this section; and

''(B) to work with schools served by the local educational agency that are identified for school improvement.

''(10) TECHNICAL ASSISTANCE.—The technical assistance provided by the State educational agency—

''(A) shall include assistance in analyzing data from the assessments required under section 1111(b)(4) and other samples of student work, to identify and address instructional problems and solutions;

''(B) shall include assistance in identifying and implementing instructional strategies and methods that are tied to scientifically based research and that have proven effective in addressing the specific instructional issues that caused the local educational agency to be identified for improvement;

''(C) shall include assistance in analyzing and revising the local educational agency's budget so that the agency's resources are more effectively allocated for the activities most likely to increase student performance and to remove the agency from improvement status; and

''(D) may be provided by—

''(i) the State educational agency; or

''(ii) with the local educational agency's approval, by an institution of higher education (in full compliance with all the reporting provisions of title II of the Higher Education Act of 1965), a private not-for-profit organization or for-profit organization, an educational service agency, the recipient of a Federal contract or cooperative agreement as described under section 7104(a)(3), or another entity with experience in helping schools improve performance.

''(11) RESOURCES REALLOCATION.—The State educational agency may, as a condition of providing the local educational agency with technical assistance and financial support in developing and carrying out a local educational agency plan, require that the local educational agency reallocate resources from ineffective or inefficient activities to activities that, through scientifically based research, have been proven to have the greatest impact on increasing student performance and closing the achievement gap between groups of students.

''(12) CORRECTIVE ACTION.—(A) In this paragraph, the term 'corrective action' means action, consistent with State law, that—

''(i) substantially and directly responds to—

''(I) the consistent academic failure of schools served by a local educational agency that caused the State educational agency to take such action with respect to the local educational agency; and

''(II) any underlying staffing, curriculum, or other problem in the schools served by the local educational agency; and

''(ii) is designed to increase substantially the likelihood that students enrolled in the schools served by the local educational agency identified for corrective action will perform at the State's proficient and advanced levels of performance on the State assessment described in section 1111(b)(4).

''(B) In order to help students served under this part meet challenging State standards, each State educational agency shall implement a system of corrective action in accordance with subparagraphs (C) through (H).

''(C) After providing technical assistance, if requested, under paragraphs (9) and (10), and subject to subparagraph (E), the State educational agency—

''(i) shall identify for corrective action and take corrective action with respect to any local educational agency that fails to make adequate yearly progress, as defined by the State under section 1111(b)(2), at the end of the second year after the school year in which the local educational agency was identified under paragraph (2); and

''(ii) shall continue to provide technical assistance while instituting any corrective action under clause (i).

''(D) In the case of a local educational agency described in subparagraph (C)(ii), the State educational agency shall take corrective action by—

''(i)(I) withholding funds from the local educational agency;

''(II) reconstituting the relevant local educational agency personnel;

''(III) removing particular schools from the jurisdiction of the local educational agency, and establishing alternative arrangements for public governance and supervision of such schools;

''(IV) appointing a receiver or trustee to administer the affairs of the local educational agency in place of the local educational agency's superintendent and school board; or

''(V) abolishing or restructuring the local educational agency; and

''(ii)(I) authorizing students to transfer (consistent with the requirements of section 1116(c)(7)) from schools served by the local educational agency to higher performing public schools, including public charter and magnet schools, served by another local educational agency; and

''(II) providing to such students transportation services, or paying for the cost of transportation, to such higher performing schools (except that the funds used by the local educational agency to provide the transportation services or pay for the cost of transportation shall not exceed 10 percent of the amount allocated to the local educational agency under this part.

''(E) The State educational agency may delay, for a period not to exceed 1 year, implementation of corrective action only if the local educational agency's failure to make adequate yearly progress was justified due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency or schools served by the local educational agency.

''(F) The State educational agency shall publish and disseminate information regarding any corrective action the State educational agency takes under this paragraph—

''(i) to the public and to the parents described in paragraph (7) and the public;

''(ii) in a format and, to the extent practicable, in a language that the parents can understand; and

''(iii) through such means as the Internet, the media, and public agencies.

''(G) Prior to determining whether to take a corrective action with respect to a local educational agency under this paragraph, the State educational agency shall provide the local educational agency with notice and a opportunity for a hearing, if State law provides for such notice and opportunity.

''(H) Not later than 45 days after the State educational agency makes an initial determination regarding taking a corrective action concerning a local educational agency in the State and receiving assistance under this part, the State educational agency shall make public a final determination on the status of the local educational agency.''.

(d) DEFINITION.—Section 1116 (20 U.S.C. 6317) is amended by adding at the end the following:

''(f) DEFINITION.—In this section, the term 'charter school' has the meaning given the term in section 4210.''.

SEC. 116. STATE ASSISTANCE FOR SCHOOL SUPPORT AND IMPROVEMENT.

Section 1117 (20 U.S.C. 6318) is amended to read as follows:

''SEC. 1117. STATE ASSISTANCE FOR SCHOOL SUPPORT AND IMPROVEMENT.

''(a) SYSTEM FOR SUPPORT.—Using funds described in subsection (e), each State educational agency shall establish a statewide system of intensive and sustained support and improvement for local educational agencies, elementary schools, and secondary schools receiving funds under this part, in order to ensure that all groups of students specified in section 1111(b)(2)(B)(iv) and attending such schools meet the State's proficient level of performance on the State assessments described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(b) PRIORITIES.—In carrying out this section during an academic year, a State educational agency shall—

''(1) first, provide support and technical assistance to local educational agencies identified for corrective action under section 1116, and assist elementary schools and secondary schools, in accordance with section 1116(c)(11), for which a local educational agency has failed to carry out the agency's responsibilities under paragraphs (9) and (10) of section 1116(c);

''(2) second, provide support and technical assistance to local educational agencies and schools identified for improvement under section 1116; and

''(3) third, provide support and technical assistance to local educational agencies and schools participating under this part that are at risk of being identified for improvement during the subsequent academic year.

''(c) APPROACHES.—In order to achieve the objective described in subsection (a), the State educational agency shall ensure that the statewide system will provide support and technical assistance through approaches such as—

''(1) using school support teams, composed of individuals who are knowledgeable about scientifically based research, about teaching and learning practices, and particularly about strategies for improving educational results for low-performing students; and

''(2) designating and using distinguished educators, who are chosen from schools served under this part that have been especially successful in improving academic performance.

''(d) ALTERNATIVES.—The State educational agency may—

''(1) devise additional approaches to providing the support and technical assistance described in subsection (c), such as providing assistance through institutions of higher education, educational service agencies, or other local consortia; and

''(2) seek approval from the Secretary to use funds under section 1003(b) for such approaches as part of the State plan.

''(e) FUNDS.—The State educational agency—

''(1) shall use funds reserved under section 1003(a), but not used under section 1003(b), to carry out this section; and

''(2) may use State administrative funds authorized under section 1703(c) to carry out this section.''.

SEC. 117. PARENTAL INVOLVEMENT.

(a) LOCAL EDUCATIONAL AGENCY POLICY.—Section 1118(a) (20 U.S.C. 6319(a)) is amended—

(1) in paragraph (1), by striking ''programs, activities, and procedures'' and inserting ''activities and procedures'';

(2) in paragraph (2), by striking subparagraphs (E) and (F) and inserting the following:

''(E) conduct, with the involvement of parents, an annual evaluation of the content of the parental involvement policy developed under such section and the effectiveness of the policy in improving the academic quality of the schools served under this part;

''(F) involve parents in the activities of the schools served under this part; and

''(G) promote consumer friendly environments within the local educational agency and schools served under this part.''; and

(3) in paragraph (3), by adding at the end the following new subparagraph:

''(C) Not less than 90 percent of the funds reserved under subparagraph (A) shall be distributed to schools served under this part.''.

(b) NOTICE.—Section 1118(b)(1) (20 U.S.C. 6319(b)(1)) is amended by inserting after the first sentence the following: ''Parents shall be notified of the policy in a format and, to the extent practicable, in a language, that the parents can understand.''.

(c) PARENTAL INVOLVEMENT.—Section 1118(c)(4) (20 U.S.C. 6319(c)(4)) is amended—

(1) in subparagraph (B), by striking ''school performance profiles required under section 1116(a)(3)'' and inserting ''school reports described in section 4401'';

(2) by redesignating subparagraphs (D) and (E) as subparagraphs (F) and (G), respectively;

(3) by inserting after subparagraph (C) the following:

''(D) notice of the school's identification for school improvement under section 1116(c), if applicable, and a clear explanation of what such identification means;

''(E) notice of corrective action taken against the school under section 1116(c)(10) or the local educational agency involved under section 1116(d)(12), if applicable, and a clear explanation of what such action means;''; and

(4) in subparagraph (G) (as redesignated by paragraph (2)), by striking ''subparagraph (D)'' and inserting ''subparagraph (F)''.

(d) BUILDING CAPACITY FOR INVOLVEMENT.—Section 1118(e) (20 U.S.C 6319(e)) is amended—

(1) in paragraph (1), by striking ''National Educational Goals,'';

(2) by redesignating paragraphs (14) and (15) as paragraphs (16) and (17), respectively;

(3) by inserting after paragraph (13) the following:

''(14) may establish a parent advisory council to advise on all matters related to parental involvement in programs supported under this part;'';

(4) by redesignating paragraph (5) as paragraph (15) and inserting such paragraph after paragraph (14) (as inserted by paragraph (3));

(5) by inserting after paragraph (4) the following:

''(5) shall expand the use of electronic communication among teachers, students, and parents, such as communication through the use of websites and e-mail communication;'';

(6) in paragraph (7), by inserting '', to the extent practicable, in a language and format the parent can understand'' before the semicolon; and

(7) in paragraph (15) (as redesignated by paragraph (4)), by striking ''shall'' and inserting ''may''.

(e) ACCESSIBILITY.—Section 1118(f) (20 U.S.C. 6319(f)) is amended by striking '', including'' and all that follows and inserting ''and of parents of migratory children, including providing information required under section 1111 and school reports described in section 4401 in a language and format such parents can understand.''.

SEC. 118. QUALIFICATIONS FOR TEACHERS AND PARAPROFESSIONALS.

Title I (20 U.S.C. 6301 et seq.) is amended—

(1) by redesignating section 1119 (20 U.S.C. 6320) as section 1119A; and

(2) by inserting after section 1118 the following:

''SEC. 1119. QUALIFICATIONS FOR TEACHERS AND PARAPROFESSIONALS.

''(a) IN GENERAL.—

''(1) PLAN.—Each State educational agency receiving assistance under this part shall develop and submit to the Secretary a plan to ensure that all teachers teaching within the State are fully qualified not later than December 31, 2006. Such plan shall include an assurance that the State educational agency will require each local educational agency or school receiving funds under this part publicly to report on annual progress with respect to the local educational agency's or school's performance in increasing the percentage of classes in core academic subjects (as defined in section 2002) taught by fully qualified teachers.

''(2) SPECIAL RULE.—Notwithstanding any other provision of law, the provisions of this section governing teacher qualifications shall not supersede State laws governing public charter schools (as defined in section 4210).

''(b) NEW PARAPROFESSIONALS.—Each local educational agency receiving assistance under this part shall ensure that each paraprofessional hired after December 31, 2004, and working in a program assisted under this part—

''(1) has completed at least the number of courses at an institution of higher education in the area of elementary education, or in the academic subject in which the paraprofessional is working, for a minor in elementary education or that subject at such institution;

''(2) has obtained an associate's (or higher) degree; or

''(3) has met a rigorous standard of quality, through formal State certification (as described in subsection (h)), that demonstrates, as appropriate—

''(A) knowledge of, and the ability to provide tutorial assistance in, reading, writing, and mathematics; or

''(B) knowledge of, and the ability to provide tutorial assistance in, reading readiness, writing readiness, and mathematics readiness.

''(c) EXISTING PARAPROFESSIONALS.—Each local educational agency receiving assistance under this part shall ensure that, not later than 4 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act, each paraprofessional working in a program assisted under this part shall have satisfied the requirements of subsection (b).

''(d) EXCEPTIONS FOR TRANSLATION AND PARENTAL INVOLVEMENT ACTIVITIES.—Subsections (b) and (c) shall not apply to a paraprofessional—

''(1) who is proficient in English and a language other than English, and who provides services primarily to enhance the participation of students in programs under this part by acting as a translator; or

''(2) whose duties consist solely of conducting parental involvement activities consistent with section 1118 or other school readiness activities that are noninstructional.

''(e) GENERAL REQUIREMENT FOR ALL PARAPROFESSIONALS.—Each local educational agency receiving assistance under this part shall ensure that each paraprofessional working in a program assisted under this part, regardless of the paraprofessional's hiring date, has obtained a secondary school diploma or its recognized equivalent.

''(f) DUTIES OF PARAPROFESSIONALS.—

''(1) IN GENERAL.—Each local educational agency receiving assistance under this part shall ensure that a paraprofessional working in a program assisted under this part is not assigned a duty inconsistent with this subsection.

''(2) AUTHORIZED RESPONSIBILITIES.—A paraprofessional described in paragraph (1) may be assigned—

''(A) to provide 1-on-1 tutoring for eligible students under this part, if the tutoring is scheduled at a time when the student would not otherwise receive instruction from a teacher;

''(B) to assist with classroom management, such as organizing instructional and other materials;

''(C) to provide assistance in a computer laboratory;

''(D) to conduct parental involvement activities or school readiness activities that are noninstructional;

''(E) to provide support in a library or media center;

''(F) to act as a translator; or

''(G) to provide assistance with the provision of instructional services to students.

''(3) LIMITATIONS.—A paraprofessional described in paragraph (1)—

''(A) shall not perform the duties of a certified or licensed teacher or a substitute;

''(B) shall not perform any duty assigned under paragraph (2) except under the direct supervision of a fully qualified teacher or other appropriate professional; and

''(C) may not provide assistance with the provision of instructional services to students in the area of reading, writing, or mathematics unless the paraprofessional has demonstrated, through State certification as described in subsection (b)(3), the ability to effectively provide the assistance.

''(g) USES OF FUNDS.—Notwithstanding subsection (h)(2), a local educational agency receiving funds under this part may use such funds to support ongoing training and professional development to assist teachers and paraprofessionals in satisfying the requirements of this section.

''(h) STATE CERTIFICATION.—Each State educational agency receiving assistance under this part shall—

''(1) ensure that the State educational agency has in place State criteria for the certification of paraprofessionals by December 31, 2003; and

''(2) ensure that paraprofessionals hired before December 31, 2004 who do not meet the requirements of subsection (b) are in high-quality professional development activities that are aimed at assisting paraprofessionals in meeting the requirements of subsection (b) and that ensure that a paraprofessional has the ability to carry out the duties described in subsection (f).

''(i) VERIFICATION OF COMPLIANCE.—

''(1) IN GENERAL.—In verifying compliance with this section, each local educational agency, at a minimum, shall require that each principal of an elementary school or secondary school operating a program under section 1114 or 1115 annually attest in writing as to whether the school is in compliance with the requirements of this section.

''(2) AVAILABILITY OF INFORMATION.—Copies of the annual attestation described in paragraph (1)—

''(A) shall be maintained at each elementary school and secondary school operating a program under section 1114 or 1115 and at the main office of the local educational agency; and

''(B) shall be available to any member of the general public on request.''.

SEC. 119. PROFESSIONAL DEVELOPMENT.

Section 1119A (as redesignated by section 118(1)) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) PURPOSE.—The purpose of this section is to assist each local educational agency receiving assistance under this part in increasing the academic achievement of eligible children (as identified under section 1115(b)(1)(B)) (referred to in this section as 'eligible children') through improved teacher quality.'';

(2) in subsection (b)—

(A) by amending paragraph (1) to read as follows:

''(1) REQUIRED ACTIVITIES.—Each local educational agency receiving assistance under this part shall provide professional development activities under this section that shall—

''(A) give teachers, principals, and administrators the knowledge and skills to provide eligible children with the opportunity to meet challenging State or local content standards and student performance standards;

''(B) support the recruiting, hiring, and training of fully qualified teachers;

''(C) advance teacher understanding of effective instructional strategies, based on scientifically based research, for improving eligible children achievement in, at a minimum, English language arts, mathematics, and science;

''(D) be directly related to the curricula and academic subjects that a teacher teaches;

''(E) be designed to enhance the ability of a teacher to understand and use the State's standards for the academic subject that the teacher teaches;

''(F) be tied to scientifically based research that demonstrates the effectiveness of such professional development activities in increasing the achievement of eligible children or substantially increasing the subject matter knowledge, teaching knowledge, and teaching skills of teachers;

''(G) be of sufficient intensity and duration (not to include such activities as 1-day or short-term workshops and conferences) to have a positive and lasting impact on teachers' performance in the classroom, except that this subparagraph shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan—

''(i) established by the teacher and the teacher's supervisor; and

''(ii) based on an assessment of the needs of the teacher, the teacher's students who are eligible children, and the local educational agency involved;

''(H) be developed with extensive participation of teachers, principals, parents, administrators, and local school boards of schools to be served under this part;

''(I) to the extent appropriate, provide training for teachers regarding using technology and applying technology effectively in the classroom, to improve teaching and learning concerning the curricula and academic subjects that the teachers teach;

''(J) as a whole, be regularly evaluated for such activities' impact on increased teacher effectiveness and improved student achievement, with the findings of such evaluations used to improve the quality of professional development; and

''(K) include strategies for identifying and eliminating gender and racial bias in instructional materials, methods, and practices.''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting ''and data to provide information and instruction for classroom practice'' before the semicolon;

(ii) by striking subparagraphs (D) and (G);

(iii) by redesignating subparagraphs (E), (F), (H), and (I), as subparagraphs (D), (E), (F) and (G), respectively;

(iv) in subparagraph (F) (as redesignated by clause (iii)), by striking ''and'' after the semicolon;

(v) in subparagraph (G) (as redesignated by clause (iii)), by striking the period and inserting a semicolon; and

(vi) by adding at the end (as redesignated by clause (iii)) the following new subparagraph:

''(H) instruction in the ways that teachers, principals, and guidance counselors can work with students (and the parents of the students) from groups, such as females and minorities, that are underrepresented in careers in mathematics, science, engineering, and technology, to encourage and maintain the interest of such students in those careers; and

''(I) programs that are designed to assist new teachers during their first 3 years of teaching, such as mentoring programs that—

''(i) provide mentoring to new teachers from veteran teachers with expertise in the same academic subject as the new teachers are teaching;

''(ii) provide mentors time for activities such as coaching, observing, and assisting teachers who are being mentored; and

''(iii) use standards or assessments that are consistent with the State's student performance standards and the requirements for professional development activities described in section 2109 in order to guide the new teachers.'';

(3) by striking subsections (f) through (i); and

(4) by adding after subsection (e) the following:

''(f) CONSOLIDATION OF FUNDS.—Funds provided under this part that are used for professional development purposes may be consolidated with funds provided under title II and other sources.''.

SEC. 120. FISCAL REQUIREMENTS.

Section 1120A(a) (20 U.S.C. 6322(a)) is amended by striking ''section 14501'' and inserting ''section 8501''.

SEC. 121. COORDINATION REQUIREMENTS.

Section 1120B (20 U.S.C. 6323) is amended—

(1) in subsection (a), by striking ''to the extent feasible'' and all that follows through the period and inserting ''in coordination with local Head Start agencies and, if feasible, entities carrying out other early childhood development programs.''; and

(2) in subsection (b)—

(A) in paragraph (3), by striking ''and'' after the semicolon;

(B) in paragraph (4), by striking the period and inserting ''; and''; and

(C) by adding at the end, the following:

''(5) linking the educational services provided by such local educational agency with the services provided by local Head Start agencies.''.

SEC. 122. LIMITATIONS ON FUNDS.

Subpart 1 of part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1120B (20 U.S.C. 6323) the following:

''SEC. 1120C. LIMITATIONS ON FUNDS.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, a local educational agency shall use funds received under this part only to provide academic instruction and services directly related to the instruction to students in preschool through grade 12 to assist eligible children to improve their academic achievement and to meet achievement standards established by the State.

''(b) PERMISSIBLE AND PROHIBITED ACTIVITIES.—In this subpart, the term 'academic instruction'—

''(1) includes—

''(A) the employment of teachers and other instructional personnel, including providing teachers and instructional personnel with employee benefits;

''(B) the extension of instruction described in this subsection beyond the normal school day and year, including during summer school;

''(C) the provision of instructional services to pre-kindergarten children to prepare such children for the transition to kindergarten;

''(D) the purchase of instructional resources, such as books, materials, computers, other instructional equipment, and wiring to support instructional equipment;

''(E) the development and administration of curricula, educational materials, and assessments;

''(F) the implementation of—

''(i) instructional interventions in schools in need of improvement; and

''(ii) corrective actions to improve student achievement; and

''(G) the transportation of students to assist the students in improving academic achievement, except that not more than 10 percent of the funds made available under this part to a local educational agency shall be used to carry out this subparagraph; and

''(2) does not include—

''(A) the purchase or provision of janitorial services or the payment of utility costs;

''(B) the construction or operation of facilities;

''(C) the acquisition of real property;

''(D) the payment of costs for food and refreshments; or

''(E) the purchase or lease of vehicles.''.

SEC. 123. GRANTS FOR THE OUTLYING AREAS AND THE SECRETARY OF THE INTERIOR.

Section 1121 (20 U.S.C. 6331) is amended to read as follows:

''SEC. 1121. GRANTS FOR THE OUTLYING AREAS AND THE SECRETARY OF THE INTERIOR.

''(a) RESERVATION OF FUNDS.—From the amount appropriated for payments to States for any fiscal year under section 1002(a), the Secretary shall reserve a total of 1 percent to provide assistance to—

''(1) the outlying areas on the basis of their respective need for such assistance according to such criteria as the Secretary determines will best carry out the purpose of this part; and

''(2) the Secretary of the Interior in the amount necessary to make payments pursuant to subsection (c).

''(b) ASSISTANCE TO THE OUTLYING AREAS.—

''(1) IN GENERAL.—From amounts made available under subsection (a) in each fiscal year, the Secretary shall make grants to local educational agencies in the outlying areas (other than the outlying areas assisted under paragraph (2)).

''(2) COMPETITIVE GRANTS.—(A) For each fiscal year through 2001, the Secretary shall reserve $5,000,000 from the amounts made available under subsection (a) to award grants on a competitive basis, to local educational agencies in the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The Secretary shall award such grants according to the recommendations of the Pacific Region Educational Laboratory which shall conduct a competition for such grants.

''(B) Except as provided in subparagraph (D), grant funds awarded under this part only may be used for programs described in this Act, including teacher training, curriculum development, instructional materials, or general school improvement and reform.

''(C) Grant funds awarded under this paragraph may only be used to provide direct educational services.

''(D) The Secretary may provide 5 percent of the amount made available for grants under this paragraph to pay the administrative costs of the Pacific Region Educational Laboratory regarding activities assisted under this paragraph.

''(c) ALLOTMENT TO THE SECRETARY OF THE INTERIOR.—

''(1) IN GENERAL.—The amount allotted for payments to the Secretary of the Interior under subsection (a)(2) for any fiscal year shall be, as determined pursuant to criteria established by the Secretary, the amount necessary to meet the special educational needs of—

''(A) Indian children on reservations served by elementary schools and secondary schools for Indian children operated or supported by the Department of the Interior; and

''(B) out-of-State Indian children in elementary schools and secondary schools in local educational agencies under special contracts with the Department of the Interior.

''(2) PAYMENTS.—From the amount allotted for payments to the Secretary of the Interior under subsection (a)(2), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Secretary determines will best carry out the purposes of this part, with respect to out-of-State Indian children described in paragraph (1). The amount of such payment may not exceed, for each such child, the greater of—

''(A) 40 percent of the average per pupil expenditure in the State in which the agency is located; or

''(B) 48 percent of such expenditure in the United States.''.

SEC. 124. AMOUNTS FOR GRANTS.

Section 1122 (20 U.S.C. 6332) is amended to read as follows:

''SEC. 1122. AMOUNTS FOR BASIC GRANTS, CONCENTRATION GRANTS, AND TARGETED GRANTS.

''(a) IN GENERAL.—For fiscal years 2002 through 2006, an amount of the appropriations for this part equal to the appropriation for fiscal year 2001 for section 1124 shall be allocated in accordance with section 1124, and an amount equal to the appropriation for fiscal year 2001 for section 1124A shall be allocated in accordance with section 1124A. Any additional appropriations under section 1002(a) for any fiscal year, after application of the preceding sentence, shall be allocated in accordance with section 1125.

''(b) ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS.—

''(1) IN GENERAL.—If the sums available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year, the Secretary shall ratably reduce the allocations to such local educational agencies, subject to subsections (c) and (d).

''(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under sections 1124, 1124A, and 1125 for such fiscal year, allocations that were reduced under paragraph (1) shall be increased on the same basis as they were reduced.

''(c) HOLD-HARMLESS AMOUNTS.—

''(1) IN GENERAL.—For each fiscal year, except as provided in paragraph (2) and subsection (d), the amount made available to each local educational agency under each of sections 1124 and 1125 shall be not less than 95 percent of the previous year's amount if the number of children counted for grants under section 1124 is at least 30 percent of the total number of children aged 5 to 17 years, inclusive, in the local educational agency, 90 percent of the previous year amount if this percentage is between 15 percent and 30 percent, and 85 percent if this percentage is below 15 percent.

''(2) SUFFICIENT FUNDS.—If sufficient funds are appropriated, the hold-homeless amounts described in paragraph (1) shall be paid to all local educational agencies that received grants under section 1124, 1124A, or 1125 for the preceding fiscal year, regardless of whether the local educational agency currently meets the minimum eligibility criteria provided in section 1124(b), 1124A(a)(1)(A), or 1125(a), respectively, except that a local educational agency which does not meet such minimum eligibility criteria for 5 consecutive years shall no longer be eligible to receive a hold-harmless amount.

''(3) CALCULATION.—In any fiscal year for which the Secretary calculates grants on the basis of population data for counties, the Secretary shall apply the hold-harmless percentages in paragraph (1) to counties, and, if the Secretary's allocation for a county is not sufficient to meet the hold-harmless requirements of this subsection for every local educational agency within that county, then the State educational agency shall reallocate funds proportionately from all other local educational agencies in the State that are receiving funds in excess of the hold-harmless amounts specified in this subsection.

''(d) RATABLE REDUCTIONS.—

''(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under subsection (c) for such year, the Secretary shall ratably reduce such amounts for such year.

''(2) ADDITIONAL FUNDS.—If additional funds become available for making payments under subsection (c) for such fiscal year, amounts that were reduced under paragraph (1) shall be increased on the same basis as such amounts reduced.

''(e) DEFINITION.—For the purpose of this section and sections 1124, 1124A, and 1125, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.''.

SEC. 125. BASIC GRANTS TO LOCAL EDUCATIONAL AGENCIES.

(a) FINDINGS.—Congress finds that—

(1) according to the Department of Education, 58 percent of all elementary schools and secondary schools receive at least some funds under title I of the Elementary and Secondary Education Act of 1965 (referred to in this section as ''title I funds'');

(2) of the elementary schools and secondary schools that receive no title I funds at all, a disturbing number have high concentrations of poor students;

(3) 1 out of every 5 elementary schools and secondary schools with poverty rates between 50 percent and 75 percent do not get any title I funds;

(4) a school district qualifies for funding through basic grants made under such title I if at least 2 percent of the students in the school district are from families with incomes below the poverty line;

(5) 9 out of every 10 school districts receive some title I funds; and

(6) Congress has never appropriated funding to provide targeted grants under such title I.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) title I funds are distributed so broadly that many of the Nation's elementary schools and secondary schools with high poverty rates are not receiving on title I funds;

(2) the Federal Government is not living up to the original intent of the Elementary and Secondary Education Act of 1965, which was to focus Federal funding to ensure that poor students have equal access to a quality education;

(3) it is the role of the Federal Government to provide targeted funding for school districts in which the Nation's poorest students live, while holding States and localities accountable for raising the academic performance of all students in the United States to a higher level; and

(4) the Federal Government must take a firm stand to better focus Federal funds on the Nation's poorest school districts through a new formula for the title I funds that will ensure that the funds are targeted so that elementary schools and secondary schools in high-poverty urban and rural areas get the Federal resources for education that the schools need and deserve.

(c) GENERAL AUTHORITY.—Section 1124 (20 U.S.C. 6333) is amended to read as follows:

''SEC. 1124. BASIC GRANTS TO LOCAL EDUCATIONAL AGENCIES.

''(a) AMOUNT OF GRANTS.—

''(1) GRANTS FOR LOCAL EDUCATIONAL AGENCIES AND PUERTO RICO.—Except as provided in paragraph (4) and in section 1126, the grant that a local educational agency is eligible to receive under this section for a fiscal year is the amount determined by multiplying—

''(A) the number of children counted under subsection (c); and

''(B) 40 percent of the average per-pupil expenditure in the State, except that the amount determined under this subparagraph shall not be less than 32 percent, and not more than 48 percent, of the average per-pupil expenditure in the United States.

''(2) CALCULATION OF GRANTS.—(A) The Secretary shall calculate grants under this section on the basis of the number of children counted under subsection (c) for local educational agencies, unless the Secretary and the Secretary of Commerce determine that some or all of those data are unreliable or that their use would be otherwise inappropriate, in which case—

''(i) the 2 Secretaries shall publicly disclose the reasons for their determination in detail; and

''(ii) paragraph (3) shall apply.

''(B)(i) For any fiscal year to which this paragraph applies, the Secretary shall calculate grants under this section for each local educational agency.

''(ii) The amount of a grant under this section for each large local educational agency shall be the amount determined under clause (i).

''(iii) For small local educational agencies, the State educational agency may either—

''(I) distribute grants under this section in amounts determined by the Secretary under clause (i); or

''(II) use an alternative method, developed in accordance with clause (iv), approved by the Secretary to distribute the portion of the State's total grants under this section that is based on those small agencies.

''(iv) An alternative method under clause (iii)(II) shall be based on population data

that the State educational agency determines best reflect the current distribution of children in poor families among the State's small local educational agencies that meet the eligibility criteria of subsection (b).

''(v) If a small local educational agency is dissatisfied with the determination of its grant by the State educational agency under clause (iii)(II), it may appeal that determination to the Secretary, who shall respond within 45 days of receiving it.

''(vi) As used in this subparagraph—

''(I) the term 'large local educational agency' means a local educational agency serving an area with a total population of 20,000 or more; and

''(II) the term 'small local educational agency' means a local educational agency serving an area with a total population of less than 20,000.

''(3) ALLOCATIONS TO COUNTIES.—(A) For any fiscal year to which this paragraph applies, the Secretary shall calculate grants under this section on the basis of the number of children counted under section 1124(c) for counties, and State educational agencies shall suballocate county amounts to local educational agencies, in accordance with regulations promulgated by the Secretary.

''(B) In any State in which a large number of local educational agencies overlap county boundaries, or for which the State believes it has data that would better target funds than allocating them by county, the State educational agency may apply to the Secretary for authority to make the allocations under this part for a particular fiscal year directly to local educational agencies without regard to counties.

''(C) If the Secretary approves a State's application under subparagraph (B), the State educational agency shall provide the Secretary an assurance that those allocations are made—

''(i) using precisely the same factors for determining a grant as are used under this part; or

''(ii) using data that the State educational agency submits to the Secretary for approval that more accurately target poverty.

''(D) The State educational agency shall provide the Secretary an assurance that a procedure is (or will be) established through which local educational agencies that are dissatisfied with its determinations under subparagraph (B) may appeal directly to the Secretary for a final determination.

''(4) PUERTO RICO.—For each fiscal year, the Secretary shall determine the percentage that the average per pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant that the Commonwealth of Puerto Rico shall be eligible to receive under this section for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) for the Commonwealth of Puerto Rico by the product of—

''(A) the percentage determined under the preceding sentence; and

''(B) 32 percent of the average per pupil expenditure in the United States.

''(5) DEFINITION.—For purposes of this subsection, the term 'State' does not include an outlying area.

''(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency is eligible for a basic grant under this section for any fiscal year only if the number of children counted under subsection (c) for that agency is—

''(1) 10 or more; and

''(2) more than 2 percent of the total school-age population in the agency's jurisdiction.

''(c) CHILDREN TO BE COUNTED.—

''(1) CATEGORIES OF CHILDREN.—The number of children to be counted for purposes of this section is the aggregate of—

''(A) the number of children aged 5 to 17, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2);

''(B) the number of children aged 5 to 17, inclusive, in the school district of such agency from families above the poverty level as determined under paragraph (4); and

''(C) the number of children (determined under paragraph (4) for either the preceding year as described in that paragraph, or for the second preceding year, as the Secretary finds appropriate) aged 5 to 17, inclusive, in the school district of such agency in institutions for neglected and delinquent children (other than such institutions operated by the United States), but not counted pursuant to subpart 1 of part D for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

''(2) DETERMINATION OF NUMBER OF CHILDREN.—For the purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families below the poverty level on the basis of the most recent satisfactory data, described in paragraph (3), available from the Department of Commerce. The District of Columbia and the Commonwealth of Puerto Rico shall be treated as individual local educational agencies. If a local educational agency contains 2 or more counties in their entirety, then each county will be treated as if such county were a separate local educational agency for purposes of calculating grants under this part. The total of grants for such counties shall be allocated to such a local educational agency, which local educational agency shall distribute to schools in each county within such agency a share of the local educational agency's total grant that is no less than the county's share of the population counts used to calculate the local educational agency's grant.

''(3) POPULATION UPDATES.—In fiscal year 2002 and every 2 years thereafter, the Secretary shall use updated data on the number of children, aged 5 to 17, inclusive, from families below the poverty level for counties or local educational agencies, published by the Department of Commerce, unless the Secretary and the Secretary of Commerce determine that use of the updated population data would be inappropriate or unreliable. If the Secretary and the Secretary of Commerce determine that some or all of the data referred to in this paragraph are inappropriate or unreliable, they shall publicly disclose their reasons. In determining the families which are below the poverty level, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census, in such form as those criteria have been updated by increases in the Consumer Price Index for all urban consumers, published by the Bureau of Labor Statistics.

''(4) OTHER CHILDREN TO BE COUNTED.—For purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current criteria of poverty, from payments under a State program funded under part A of title IV of the Social Security Act, and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a family of 4 in such form as those criteria have been updated by increases in the Consumer Price Index for all urban consumers, published by the Bureau of Labor Statistics. The Secretary shall determine the number of children aged 5 through 17 living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding fiscal year (using, in the case of children described in the preceding sentence, the criteria of poverty and the form of such criteria required by such sentence which were determined for the calendar year preceding such month of October) or, to the extent that such data are not available to the Secretary before January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to the Secretary at the time of such determination. The Secretary of Health and Human Services shall collect and transmit the information required by this paragraph to the Secretary not later than January 1 of each year. For the purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

''(5) ESTIMATE.—When requested by the Secretary, the Secretary of Commerce shall make a special updated estimate of the number of children of such ages who are from families below the poverty level (determined as described in paragraph (1)) in each school district, and the Secretary is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information. For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

''(d) STATE MINIMUM.—Notwithstanding section 1122, the aggregate amount allotted for all local educational agencies within a State may not be less than the lesser of—

''(1) 0.25 percent of total grants under this section; or

''(2) the average of—

''(A) one-quarter of 1 percent of the total amount available for such fiscal year under this section; and

''(B) the number of children in such State counted under subsection (c) in the fiscal year multiplied by 150 percent of the national average per pupil payment made with funds available under this section for that year.''.

SEC. 126. CONCENTRATION GRANTS.

Section 1124A (20 U.S.C. 6334) is amended to read as follows:

''SEC. 1124A. CONCENTRATION GRANTS TO LOCAL EDUCATIONAL AGENCIES.

''(a) ELIGIBILITY FOR AND AMOUNT OF GRANTS.—

''(1) IN GENERAL.—(A) Except as otherwise provided in this paragraph, each local educational agency, in a State other than an outlying area, which is eligible for a grant under section 1124 for any fiscal year is eligible for an additional grant under this section for that fiscal year if the number of children counted under section 1124(c) for the agency exceeds either—

''(i) 6,500; or

''(ii) 15 percent of the total number of children aged 5 through 17 in the agency.

''(B) Notwithstanding section 1122, no State described in subparagraph (A) shall receive less than the lesser of—

''(i) 0.25 percent of total grants; or

''(ii) the average of—

''(I) one-quarter of 1 percent of the sums available to carry out this section for such fiscal year; and

''(II) the greater of—

''(aa) $340,000; or

''(bb) the number of children in such State counted for purposes of this section in that fiscal year multiplied by 150 percent of the national average per pupil payment made with funds available under this section for that year.

''(2) SPECIAL RULE.—For each county or local educational agency eligible to receive an additional grant under this section for any fiscal year the Secretary shall determine the product of—

''(A) the number of children counted under section 1124(c) for that fiscal year; and

''(B) the amount in section 1124(a)(1)(B) for all States except Puerto Rico, and the amount in section 1124(a)(4) for Puerto Rico.

''(3) AMOUNT.—The amount of the additional grant for which an eligible local educational agency or county is eligible under this section for any fiscal year shall be an amount which bears the same ratio to the amount available to carry out this section for that fiscal year as the product determined under paragraph (2) for such local educational agency for that fiscal year bears to the sum of such products for all local educational agencies in the United States for that fiscal year.

''(4) LOCAL ALLOCATIONS.—(A) Grant amounts under this section shall be determined in accordance with paragraphs (2) and (3) of section 1124(a).

''(B) For any fiscal year for which the Secretary allocates funds under this section on the basis of counties, a State may reserve not more than 2 percent of its allocation under this section for any fiscal year to make grants to local educational agencies that meet the criteria of clause (i) or (ii) of paragraph (1)(A) but that are in ineligible counties.

''(b) STATES RECEIVING MINIMUM GRANTS.—In States that receive the minimum grant under subsection (a)(1)(B), the State educational agency shall allocate such funds among the local educational agencies in each State either—

''(1) in accordance with paragraphs (2) and (4) of subsection (a); or

''(2) based on their respective concentrations and numbers of children counted under section 1124(c), except that only those local educational agencies with concentrations or numbers of children counted under section 1124(c) that exceed the statewide average percentage of such children or the statewide average number of such children shall receive any funds on the basis of this paragraph.''.

SEC. 127. TARGETED GRANTS.

Section 1125 (20 U.S.C 6335) is amended to read as follows:

''SEC. 1125. TARGETED GRANTS TO LOCAL EDUCATIONAL AGENCIES.

''(a) ELIGIBILITY OF LOCAL EDUCATIONAL AGENCIES.—A local educational agency in a State is eligible to receive a targeted grant under this section for any fiscal year if the number of children in the local educational agency counted under section 1124(c), before application of the weighting factor described in subsection (c), is at least 10, and if the number of children counted for grants under section 1124 is at least 5 percent of the total population aged 5 to 17 years, inclusive, in the local educational agency. Funds made available as a result of applying this subsection shall be reallocated by the State educational agency to other eligible local educational agencies in the State in proportion to the distribution of other funds under this section.

''(b) GRANTS FOR LOCAL EDUCATIONAL AGENCIES, THE DISTRICT OF COLUMBIA, AND PUERTO RICO.—

''(1) IN GENERAL.—The amount of the grant that a local educational agency in a State or that the District of Columbia is eligible to receive under this section for any fiscal year shall be the product of—

''(A) the weighted child count determined under subsection (c); and

''(B) the amount in section 1124(a)(1).

''(2) PUERTO RICO.—For each fiscal year, the amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section shall be equal to the number of children counted under subsection (c) for Puerto Rico, multiplied by the amount determined in section 1124(a)(4).

''(c) WEIGHTED CHILD COUNT.—

''(1) WEIGHTS FOR ALLOCATIONS TO COUNTIES.—(A) For each fiscal year for which the Secretary uses county population data to calculate grants, the weighted child count used to determine a county's allocation under this section is the larger of the 2 amounts determined under clause (i) or (ii), as follows:

''(i) This amount is determined by adding—

''(I) the number of children determined under section 1124(c) for that county constituting up to 12.20 percent, inclusive, of the county's total population aged 5 to 17, inclusive, multiplied by 1.0;

''(II) the number of such children constituting more than 12.20 percent, but not more than 17.70 percent, of such population, multiplied by 1.75;

''(III) the number of such children constituting more than 17.70 percent, but not more than 22.80 percent, of such population, multiplied by 2.5;

''(IV) the number of such children constituting more than 22.80 percent, but not more than 29.70 percent, of such population, multiplied by 3.25; and

''(V) the number of such children constituting more than 29.70 percent of such population, multiplied by 4.0.

''(ii) This amount is determined by adding—

''(I) the number of children determined under section 1124(c) constituting up to 1,917, inclusive, of the county's total population aged 5 to 17, inclusive, multiplied by 1.0;

''(II) the number of such children between 1,918 and 5,938, inclusive, in such population, multiplied by 1.5;

''(III) the number of such children between 5,939 and 20,199, inclusive, in such population, multiplied by 2.0;

''(IV) the number of such children between 20,200 and 77,999, inclusive, in such population, multiplied by 2.5; and

''(V) the number of such children in excess of 77,999 in such population, multiplied by 3.0.

''(B) Notwithstanding subparagraph (A), the weighting factor for Puerto Rico under this paragraph shall not be greater than the total number of children counted under section 1124(c) multiplied by 1.72.

''(2) WEIGHTS FOR ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—(A) For each fiscal year for which the Secretary uses local educational agency data, the weighted child count used to determine a local educational agency's grant under this section is the larger of the 2 amounts determined under clauses (i) and (ii), as follows:

''(i) This amount is determined by adding—

''(I) the number of children determined under section 1124(c) for that local educational agency constituting up to 14.265 percent, inclusive, of the agency's total population aged 5 to 17, inclusive, multiplied by 1.0;

''(II) the number of such children constituting more than 14.265 percent, but not more than 21.553 percent, of such population, multiplied by 1.75;

''(III) the number of such children constituting more than 21.553 percent, but not more than 29.223 percent, of such population, multiplied by 2.5;

''(IV) the number of such children constituting more than 29.223 percent, but not more than 36.538 percent, of such population, multiplied by 3.25; and

''(V) the number of such children constituting more than 36.538 percent of such population, multiplied by 4.0.

''(ii) This amount is determined by adding—

''(I) the number of children determined under section 1124(c) constituting up to 575, inclusive, of the agency's total population aged 5 to 17, inclusive, multiplied by 1.0;

''(II) the number of such children between 576 and 1,870, inclusive, in such population, multiplied by 1.5;

''(III) the number of such children between 1,871 and 6,910, inclusive, in such population, multiplied by 2.0;

''(IV) the number of such children between 6,911 and 42,000, inclusive, in such population, multiplied by 2.5; and

''(V) the number of such children in excess of 42,000 in such population, multiplied by 3.0.

''(B) Notwithstanding subparagraph (A), the weighting factor for Puerto Rico under this paragraph shall not be greater than the total number of children counted under section 1124(c) multiplied by 1.72.

''(d) CALCULATION OF GRANT AMOUNTS.—Grants under this section shall be calculated in accordance with paragraphs (2) and (3) of section 1124(a).

''(e) STATE MINIMUM.—Notwithstanding any other provision of this section or section 1122, from the total amount available for any fiscal year to carry out this section, each State shall be allotted at least the lesser of—

''(1) 0.25 percent of total appropriations; or

''(2) the average of—

''(A) one-quarter of 1 percent of the total amount available to carry out this section; and

''(B) 150 percent of the national average grant under this section per child described in section 1124(c), without application of a weighting factor, multiplied by the State's total number of children described in section 1124(c), without application of a weighting factor.''.

SEC. 128. EDUCATION FINANCE INCENTIVE PROGRAM.

Section 1125A (20 U.S.C. 6336) is amended to read as follows:

''SEC. 1125A. EDUCATION FINANCE INCENTIVE PROGRAM.

''(a) GRANTS.—The Secretary is authorized to make grants to States from the sums appropriated pursuant to subsection (e) to carry out the purposes of this part.

''(b) DISTRIBUTION BASED UPON FISCAL EFFORT AND EQUITY.—

''(1) IN GENERAL.—Funds appropriated pursuant to subsection (e) shall be allotted to each State based upon the number of children aged 5 to 17, inclusive, of such State multiplied by the product of—

''(A) such State's effort factor described in paragraph (2); multiplied by

''(B) 1.30 minus such State's equity factor described in paragraph (3), except that for each fiscal year no State shall receive less than ¼ of 1 percent of the total amount appropriated pursuant to subsection (e) for such fiscal year.

''(2) EFFORT FACTOR.—(A) Except as provided in subparagraph (B), the effort factor for a State shall be determined in accordance with the succeeding sentence, except that such factor shall not be less than .95 nor greater than 1.05. The effort factor determined under this sentence shall be a fraction

the numerator of which is the product of the 3-year average per-pupil expenditure in the State multiplied by the 3-year average per capita income in the United States and the denominator of which is the product of the 3-year average per capita income in such State multiplied by the 3-year average per-pupil expenditure in the United States.

''(B) The effort factor for the Commonwealth of Puerto Rico shall be equal to the lowest effort factor calculated under subparagraph (A) for any State.

''(3) EQUITY FACTOR.—(A)(i) Except as provided in subparagraph (B), the Secretary shall determine the equity factor under this section for each State in accordance with clause (ii).

''(ii)(I) For each State, the Secretary shall compute a weighted coefficient of variation for the per-pupil expenditures of local educational agencies in accordance with subclauses (II), (III), (IV), and (V).

''(II) In computing coefficients of variation, the Secretary shall weigh the variation between per-pupil expenditures in each local educational agency and the average per-pupil expenditures in the State according to the number of pupils in the local educational agency.

''(III) In determining the number of pupils under this paragraph in each local educational agency and each State, the Secretary shall multiply the number of children from economically disadvantaged families by 1.4 under this paragraph.

''(IV) In computing coefficients of variation, the Secretary shall include only those local educational agencies with an enrollment of more than 200 students.

''(V) The Secretary shall compute separate coefficients of variation for elementary, secondary, and unified local educational agencies and shall combine such coefficients into a single weighted average coefficient for the State by multiplying each coefficient by the total enrollments of the local educational agencies in each group, adding such products, and dividing such sum by the total enrollments of the local educational agencies in the State.

''(B) The equity factor for a State that meets the disparity standard described in section 222.63 of title 34, Code of Federal Regulations (as such section was in effect on the day preceding the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) or a State with only 1 local educational agency shall be not greater than 0.10.

''(C) The Secretary may revise each State's equity factor as necessary based on the advice of independent education finance scholars to reflect other need-based costs of local educational agencies in addition to economically disadvantaged student enrollment, such as differing geographic costs, costs associated with students with disabilities, children with limited English proficiency or other meaningful educational needs, which deserve additional support. In addition and also with the advice of independent education finance scholars, the Secretary may revise each State's equity factor to incorporate other valid and accepted methods to achieve adequacy of educational opportunity that may not be reflected in a coefficient of variation method.

''(c) USE OF FUNDS.—All funds awarded to each State under this section shall be allocated to local educational agencies and schools on a basis consistent with the distribution of other funds to such agencies and schools under sections 1124, 1124A, and 1125 to carry out activities under this part.

''(d) MAINTENANCE OF EFFORT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a State is entitled to receive its full allotment of funds under this part for any fiscal year only if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the fiscal year preceding the fiscal year for which the determination is made was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second fiscal year preceding the fiscal year for which the determination is made.

''(2) REDUCTION OF FUNDS.—The Secretary shall reduce the amount of the funds awarded to any State under this section in any fiscal year in the exact proportion to which the State fails to meet the requirements of paragraph (1) by falling below 90 percent of both the fiscal effort per student and aggregate expenditures (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

''(3) WAIVERS.—The Secretary may waive, for 1 fiscal year only, the requirements of paragraphs (1) and (2) if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of making grants under this section, there are authorized to be appropriated $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 3 succeeding fiscal years.''.

SEC. 129. SPECIAL ALLOCATION PROCEDURES.

Section 1126 (20 U.S.C. 6337) is amended to read as follows:

''SEC. 1126. SPECIAL ALLOCATION PROCEDURES.

''(a) ALLOCATIONS FOR NEGLECTED CHILDREN.—

''(1) IN GENERAL.—If a State educational agency determines that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children who are living in institutions for neglected or delinquent children as described in section 1124(c)(1)(C), the State educational agency shall, if such agency assumes responsibility for the special educational needs of such children, receive the portion of such local educational agency's allocation under sections 1124, 1124A, and 1125 that is attributable to such children.

''(2) SPECIAL RULE.—If the State educational agency does not assume such responsibility, any other State or local public agency that does assume such responsibility shall receive that portion of the local educational agency's allocation.

''(b) ALLOCATIONS AMONG LOCAL EDUCATIONAL AGENCIES.—The State educational agency may allocate the amounts of grants under sections 1124, 1124A, and 1125 among the affected local educational agencies—

''(1) if 2 or more local educational agencies serve, in whole or in part, the same geographical area;

''(2) if a local educational agency provides free public education for children who reside in the school district of another local educational agency; or

''(3) to reflect the merger, creation, or change of boundaries of 1 or more local educational agencies.

''(c) REALLOCATION.—If a State educational agency determines that the amount of a grant that a local educational agency would receive under sections 1124, 1124A, and 1125 is more than such local agency will use, the State educational agency shall make the excess amount available to other local educational agencies in the State that need additional funds in accordance with criteria established by the State educational agency.''.

Subtitle B—Even Start Family Literacy Programs

SEC. 131. PROGRAM AUTHORIZED.

Section 1202(c) (20 U.S.C. 6362(c)) is amended—

(1) in paragraph (1), by striking ''subsection and for which'' and all that follows through '', whichever is less, to award grants,'' and inserting ''subsection, from funds reserved under section 7104(b), the Secretary shall award grants,'';

(2) by striking paragraph (2)(C); and

(3) in paragraph (3)—

(A) by striking ''is defined'' and inserting ''was defined''; and

(B) by inserting ''as such section was in effect on the day preceding the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act'' after ''2252''.

SEC. 132. APPLICATIONS.

Section 1207(c)(1)(F) (20 U.S.C. 6367(c)(1)(F)) is amended by striking ''14306'' and inserting ''8305''.

SEC. 133. RESEARCH.

Section 1211(c) (20 U.S.C. 6396b(c)) is amended to read as follows:

''(c) DISSEMINATION.—The Secretary shall disseminate, or designate another entity to disseminate, the results of the research described in subsection (a) to States and recipients of subgrants under this part.''.

Subtitle C—Education of Migratory Children

SEC. 141. COMPREHENSIVE NEEDS ASSESSMENT AND SERVICE-DELIVERY PLAN; AUTHORIZED ACTIVITIES.

Section 1306(a)(1) (20 U.S.C. 6369(a)(1)) is amended—

(1) in subparagraph (A), by striking '', the Goals 2000'' and all that follows through the semicolon and inserting ''or other Acts, as appropriate, consistent with section 8306;'';

(2) in subparagraph (B), by striking ''section 14302'' and inserting ''section 8302''; and

(3) in subparagraph (F), by striking ''bilingual education'' and all that follows and inserting ''language instruction programs under title III; and''.

Subtitle D—Prevention and Intervention Programs for Children and Youth who are Neglected, Delinquent, or at Risk of Dropping Out

SEC. 151. STATE PLAN AND STATE AGENCY APPLICATIONS.

Section 1414 (20 U.S.C. 6434) is amended—

(1) in subsection (a)(1), by striking '', the Goals 2000'' and all that follows through the period and inserting ''or other Acts, as appropriate, consistent with section 8305.''; and

(2) in subsection (c)—

(A) in paragraph (6), by striking ''section 14701'' and inserting ''section 8701''; and

(B) in paragraph (7), by striking ''section 14501'' and inserting ''section 8501''.

SEC. 152. USE OF FUNDS.

Section 1415(a)(2)(D) (20 U.S.C. 6435(a)(2)(D)) is amended by striking ''section 14701'' and inserting ''section 8701''.

Subtitle E—Federal Evaluations, Demonstrations, and Transition Projects

SEC. 161. EVALUATIONS.

Section 1501 (20 U.S.C. 6491) is amended—

(1) in subsection (a)(4)—

(A) by striking ''January 1, 1996'' and inserting ''January 1, 2003''; and

(B) by striking ''January 1, 1999'' and inserting ''January 1, 2006'';

(2) in subsection (b)(1), by striking ''December 31, 1997'' and inserting ''December 31, 2004''; and

(3) in subsection (e)(2), by striking ''December 31, 1996'' and inserting ''December 31, 2003''.

SEC. 162. DEMONSTRATIONS OF INNOVATIVE PRACTICES.

Section 1502 (20 U.S.C. 6492) is amended to read as follows:

"SEC. 1502. COMPREHENSIVE SCHOOL REFORM.

''(a) FINDINGS AND PURPOSE.—

''(1) FINDINGS.—Congress finds the following:

''(A) A number of schools across the country have shown impressive gains in student performance through the use of comprehensive models for schoolwide change that incorporate virtually all aspects of school operations.

''(B) No single comprehensive school reform model may be suitable for every school. Schools should be encouraged to examine successful, externally developed comprehensive school reform approaches as the schools undertake comprehensive school reform.

''(C) Comprehensive school reform is an important means by which children are assisted in meeting challenging State student performance standards.

''(2) PURPOSE.—The purpose of this section is to provide financial incentives for schools to develop comprehensive school reforms, based upon scientifically based research and effective practices that include an emphasis on basic academics and parental involvement so that all children can meet challenging State content and performance standards.

''(b) GRANTS TO STATES.—

''(1) IN GENERAL.—The Secretary is authorized to provide grants to State educational agencies from allotments under paragraph (2) to provide subgrants to local educational agencies to carry out the purpose described in subsection (a)(2).

''(2) ALLOTMENT.—

''(A) RESERVATION.—Of the amount made available under subsection (f) for a fiscal year, the Secretary may reserve—

''(i) not more than 1 percent for—

''(I) payments to the Bureau of Indian Affairs for activities, approved by the Secretary, consistent with this section; and

''(II) payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this section as determined by the Secretary, for activities, approved by the Secretary, consistent with this section; and

''(ii) not more than 1 percent to conduct national evaluation activities described in subsection (d).

''(B) IN GENERAL.—Of the amount made available under subsection (f) for a fiscal year and remaining after the reservation under subparagraph (A), the Secretary shall allot to each State an amount that bears the same ratio to the remainder as the amount made available under section 1124 to the State for the preceding fiscal year bears to the total amount made available under section 1124 to all States for that year.

''(C) REALLOTMENT.—If a State chooses not to apply for funds under this section, or fails to submit an approvable application under paragraph (3), the Secretary shall reallot the funds that such State would have received under subparagraph (B) to States having applications approved under paragraph (3), in accordance with subparagraph (B).

''(3) STATE APPLICATION.—

''(A) IN GENERAL.—Each State educational agency that desires to receive a grant under this section shall submit an application to the Secretary at such time, in such manner and containing such other information as the Secretary may reasonably require.

''(B) CONTENTS.—Each State application shall describe—

''(i) the process and selection criteria with which the State educational agency, after using expert review, will select local educational agencies to receive subgrants under this section;

''(ii) how the agency will ensure that only comprehensive school reforms that are based on scientifically based research will receive funds under this section;

''(iii) how the agency will disseminate materials regarding information on comprehensive school reforms that are based on scientifically based research;

''(iv) how the agency will evaluate the implementation of such reforms and measure the extent to which the reforms resulted in increased student academic performance; and

''(v) how the agency will provide, upon request, technical assistance to a local educational agency in evaluating, developing, and implementing comprehensive school reform.

''(4) REPORTING.—Each State educational agency that receives a grant under this section shall provide to the Secretary such information as the Secretary may require, including the names of local educational agencies and schools selected to receive grants under this section, the amount of such grants, and a description of the comprehensive school reform model selected and used for the schools.

''(5) ADMINISTRATIVE COSTS.—A State educational agency that receives a grant under this section may reserve not more than 5 percent of the funds made available through the grant for administrative, evaluation, and technical assistance expenses.

''(c) GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(1) GRANTS.—

''(A) IN GENERAL.—Except as provided in subsection (b)(5), a State educational agency that receives a grant under this section shall use the grant funds to provide grants, on a competitive basis, to local educational agencies receiving funds under part A.

''(B) GRANT REQUIREMENTS.—A grant to a local educational agency shall be—

''(i) of sufficient size and scope to pay for the initial costs for the particular comprehensive school reform plan selected or designed by each school identified in the application of the local educational agency;

''(ii) in an amount of not less than $50,000 for each participating school; and

''(iii) made for an initial period of 1 year, and shall be renewable for 2 additional 1-year periods if the participating schools are making substantial progress in the implementation of their reforms.

''(2) LOCAL APPLICATIONS.—

''(A) IN GENERAL.—To be eligible to receive a grant under this section, a local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the agency may require.

''(B) CONTENTS.—At a minimum, the local application shall—

''(i) identify which schools that are served by the local educational agency and eligible for funds under part A plan to implement a comprehensive school reform program, and identify the projected costs of such a program;

''(ii) describe the scientifically based comprehensive school reforms that such schools will implement;

''(iii) describe how the agency will provide technical assistance and support for the effective implementation of the scientifically based school reforms selected by such schools; and

''(iv) describe how the agency will evaluate the implementation of such reforms and measure the results achieved in improving student academic performance.

''(3) COMPONENTS OF THE PROGRAM.—A local educational agency that receives a grant under this section shall provide grant funds to schools that, individually, implement a comprehensive school reform program that—

''(A) employs innovative strategies and proven methods for student learning, teaching, and school management that are based on scientifically based research and effective practices and have been replicated successfully in schools with diverse characteristics;

''(B) uses a comprehensive design for effective school functioning, including instruction, assessment, classroom management, professional development, parental involvement, and school management, that aligns the school's curriculum, technology, and professional development into a comprehensive reform plan for schoolwide change designed to enable all students to meet challenging State content and student performance standards, and that addresses needs identified through a school needs assessment;

''(C) provides high quality and continuous teacher and staff professional development;

''(D) includes measurable goals for student performance and benchmarks for meeting such goals;

''(E) is supported by teachers, principals, administrators, and other professional staff;

''(F) provides for the meaningful involvement of parents and the local community in planning and implementing school improvement activities;

''(G) uses high quality external technical support and assistance from an entity, which may be an institution of higher education, with experience and expertise in schoolwide reform and improvement;

''(H) includes a plan for the evaluation of the implementation of school reforms and the student results achieved; and

''(I) identifies how other resources, including Federal, State, local, and private resources, available to the school will be used to coordinate services to support and sustain the school reform effort.

''(4) PRIORITY AND CONSIDERATION.—

''(A) PRIORITY.—The State educational agency, in awarding grants under paragraph (1), shall give priority to local educational agencies that—

''(i) plan to use the grant funds in schools identified for school improvement or corrective action under section 1116(c); and

''(ii) demonstrate a commitment to assist schools with budget allocation, professional development, and other strategies necessary to ensure the comprehensive school reforms are properly implemented and are sustained in the future.

''(B) GRANT CONSIDERATION.—In making grants under this section, the State educational agency shall take into account the need for equitable distribution of funds to different geographic regions within the State, including urban and rural areas, and to elementary schools and secondary schools.

''(5) SPECIAL RULE.—A school that receives funds under this section to develop a comprehensive school reform program shall not be limited to using the approaches identified or developed by the Department of Education, but may develop comprehensive school reform programs for schoolwide change that comply with paragraph (3).

''(d) EVALUATION AND REPORT.—

''(1) IN GENERAL.—The Secretary shall develop and carry out a plan for a national evaluation of the programs developed pursuant to this section.

''(2) EVALUATION.—The national evaluation shall evaluate the implementation of the programs and the results achieved by schools after 1 year and 3 years of implementing comprehensive school reforms through the programs, and assess the effectiveness of comprehensive school reforms in schools with diverse characteristics.

''(3) REPORTS.—

''(A) INTERIM REPORT.—After evaluating the first year of implementation and results under paragraph (2), the Secretary shall submit an interim report outlining first year implementation activities to the Committees on Education and the Workforce and Appropriations of the House of Representatives and the Committees on Health, Education, Labor, and Pensions and Appropriations of the Senate.

''(B) FINAL REPORT.—After evaluating the third year of implementation and results under paragraph (2), the Secretary shall submit a final report outlining third year implementation activities to the committees described in subparagraph (A).

''(e) SUPPLEMENT.—Funds made available under this section shall be used to supplement and not supplant other Federal, State, and local public funds expended for activities described in this section.

''(f) AUTHORIZATION OF APPROPRIATIONS.—Funds appropriated for any fiscal year under section 1002(f) shall be used for carrying out the activities under this section.

''(g) DEFINITION.—The term 'scientifically based research'—

''(1) means the application of rigorous, systematic, and objective procedures in the development of comprehensive school reform models; and

''(2) shall include research that—

''(A) employs systematic, empirical methods that draw on observation or experiment;

''(B) involves rigorous data analyses that are adequate to test stated hypotheses and justify the general conclusions drawn;

''(C) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

''(D) has been accepted by a journal that uses peer review or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.''.

Subtitle F—Rural Education Development Initiative

SEC. 171. RURAL EDUCATION DEVELOPMENT INITIATIVE.

Title I (20 U.S.C. 6301 et seq.) is amended—

(1) by redesignating part F (20 U.S.C. 6511 et seq.) as part G and redesignating accordingly the references to such part F;

(2) by redesignating sections 1601 through 1604 (20 U.S.C. 6511, 6514) as sections 1701 through 1704, respectively, and by redesignating accordingly the references to such sections 1601 through 1604; and

(3) by inserting after part E (20 U.S.C. 6491 et seq.) the following:

''PART F—RURAL EDUCATION INITIATIVE

''SEC. 1601. SHORT TITLE.

''This part may be cited as the 'Rural Education Achievement Program'.

''SEC. 1602. PURPOSE.

''It is the purpose of this part to address the unique needs of rural school districts that frequently—

''(1) lack the personnel and resources needed to compete for Federal competitive grants; and

''(2) receive formula allocations in amounts too small to be effective in meeting their intended purposes.

''SEC. 1603. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this part $300,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years, of which 50 percent shall be available to carry out subpart 1 for each such fiscal year and 50 percent shall be available to carry out subpart 2 for each such fiscal year.

''(b) SPECIAL RULE.—Notwithstanding subsection (a), if the amount of funds made available under subsection (a) to carry out subpart 1 for any fiscal year exceeds the amount required to carry out subpart 1 for the fiscal year, then such excess shall be available to carry out subpart 2 for the fiscal year.

''Subpart 1—Small, Rural School Achievement Program

''SEC. 1611. FORMULA GRANT PROGRAMS.

''(a) ALTERNATIVE USES.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, an eligible local educational agency may use the applicable funding, that the agency is eligible to receive from the State educational agency for a fiscal year, to carry out activities described in section 1114, 1115, 1116, 2207, 3107, or 6006.

''(2) NOTIFICATION.—An eligible local educational agency shall notify the State educational agency of the local educational agency's intention to use the applicable funding in accordance with paragraph (1) not later than a date that is established by the State educational agency for the notification.

''(b) ELIGIBILITY.—A local educational agency shall be eligible to use the applicable funding in accordance with subsection (a) if—

''(1) the total number of students in average daily attendance at all of the schools served by the local educational agency is less than 600; and

''(2) all of the schools served by the local educational agency are designated with a School Locale Code of 7 or 8, as determined by the Secretary of Education.

''(c) APPLICABLE FUNDING.—In this section, the term 'applicable funding' means funds provided under each of titles II, III, and VI.

''(d) DISBURSAL.—Each State educational agency that receives applicable funding for a fiscal year shall disburse the applicable funding to local educational agencies for alternative uses under this section for the fiscal year at the same time that the State educational agency disburses the applicable funding to local educational agencies that do not intend to use the applicable funding for such alternative uses for the fiscal year.

''(e) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant any other Federal, State, or local education funds.

''(f) SPECIAL RULE.—References in Federal law to funds for the provisions of law set forth in subsection (c) may be considered to be references to funds for this section.

''(g) COOPERATIVE ARRANGEMENTS.—Nothing in this subpart shall be construed to prohibit a local educational agency that enters into cooperative arrangements with other local educational agencies for the provision of special, compensatory, or other education services pursuant to State law or a written agreement from entering into similar arrangements for the use or the coordination of the use of the funds made available under this section.

''SEC. 1612. FORMULA GRANT PROGRAM AUTHORIZED.

''(a) IN GENERAL.—The Secretary is authorized to award grants to eligible local educational agencies to enable the local educational agencies to carry out activities described in section 1114, 1115, 1116, 2207, 3107, or 6006.

''(b) ELIGIBILITY.—A local educational agency shall be eligible to receive a grant under this section if—

''(1) the total number of students in average daily attendance at all of the schools served by the local educational agency is less than 600; and

''(2) all of the schools served by the local educational agency are designated with a School Locale Code of 7 or 8, as determined by the Secretary of Education.

''(c) AMOUNT.—

''(1) IN GENERAL.—The Secretary shall award a grant to a local educational agency under this section for a fiscal year in an amount equal to the amount determined under paragraph (2) for the fiscal year minus the total amount received by the local educational agency for the preceding fiscal year under the provisions of law described in section 1611(c).

''(2) DETERMINATION.—The amount referred to in paragraph (1) is equal to $100 multiplied by the total number of students in excess of 50 students that are in average daily attendance at the schools served by the local educational agency, plus $20,000, except that the amount may not exceed $60,000.

''(3) CENSUS DETERMINATION.—

''(A) IN GENERAL.—Each local educational agency desiring a grant under this section shall conduct a census not later than December 1 of each year to determine the number of kindergarten through grade 12 students in average daily attendance at the schools served by the local educational agency.

''(B) SUBMISSION.—Each local educational agency shall submit the number described in subparagraph (A) to the Secretary not later than March 1 of each year.

''(4) PENALTY.—If the Secretary determines that a local educational agency has knowingly submitted false information under paragraph (3) for the purpose of gaining additional funds under this section, then the local educational agency shall be fined an amount equal to twice the difference between the amount the local educational agency received under this section, and the correct amount the local educational agency would have received under this section if the agency had submitted accurate information under paragraph (3).

''(d) DISBURSAL.—The Secretary shall disburse the funds awarded to a local educational agency under this section for a fiscal year not later than July 1 of that year.

''(e) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant any other Federal, State, or local education funds.

''(f) CONSTRUCTION.—Nothing in this subpart shall be construed to prohibit a local educational agency that enters into cooperative arrangements with other local educational agencies for the provision of special, compensatory, or other education services pursuant to State law or a written agreement from entering into similar arrangements for the use or the coordination of the use of the funds made available under this section.

''SEC. 1613. APPLICATIONS.

''(a) IN GENERAL.—Each eligible local educational agency desiring to use funds for alternative uses under section 1611 or desiring a grant under section 1612 annually shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

''(b) CONTENTS.—Each application submitted under subsection (a) shall—

''(1) describe the activities for which funds made available under this subpart will be used to raise student academic performance;

''(2) specify annual, measurable performance goals and objectives, at a minimum, for the activities assisted under this subpart with respect to—

''(A) increased student academic achievement;

''(B) decreased gaps in achievement between minority and nonminority students,

and between economically disadvantaged and non-economically disadvantaged students (unless the Secretary determines the number of students in a category is insufficient to yield statistically reliable information); and

''(C) other factors that the eligible local educational agency may choose to measure; and

''(3) specify the extent to which such goals are aligned with State content and student performance standards;

''(4) describe how the eligible local educational agency will—

''(A) measure the annual impact of activities described in paragraph (1) and the extent to which the activities will increase student academic performance; and

''(B) hold elementary schools or secondary schools using or receiving funds under this subpart accountable for meeting the annual, measurable goals and objectives;

''(5) describe how the eligible local educational agency will provide technical assistance for an elementary school or secondary school that does not meet the annual, measurable goals and objectives;

''(6) describe how the eligible local educational agency will take action against an elementary school or secondary school, if the school fails, over 2 consecutive years, to meet the annual, measurable goals and objectives; and

''(7) in the case that the application describes alternative uses for funds under title II or III, specify how the eligible local educational agency shall use the funds to meet the annual numerical performance objectives described in section 2104 or 3109, respectively.

''SEC. 1614. ACCOUNTABILITY.

''The Secretary, at the end of the third year that an eligible local educational agency uses funds in accordance with section 1611 or receives grant funds under section 1612, shall permit only those eligible local educational agencies that meet their annual, measurable goals and objectives described in section 1613(b)(2) and their performance objectives described in section 2104 and 3109 for 2 consecutive years to continue to so use funds or receive grant funds for the fourth or fifth fiscal years of participation in the program under this subpart.

''SEC. 1615. RATABLE REDUCTIONS IN CASE OF INSUFFICIENT APPROPRIATIONS.

''(a) IN GENERAL.—If the amount appropriated for any fiscal year and made available for grants under section 1612 is insufficient to pay the full amount for which all agencies are eligible under this subpart, the Secretary shall ratably reduce each such amount.

''(b) ADDITIONAL AMOUNTS.—If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under subsection (a) shall be increased on the same basis as such payments were reduced.

''SEC. 1616. REPORTS.

''(a) REPORTS FROM ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—Each eligible local educational agency making alternative use of funds under section 1611 or receiving a grant under section 1612 shall provide an annual report to the Secretary. The report shall describe—

''(1) how the agency used the funds made available under this subpart;

''(2) the degree to which progress has been made toward meeting the annual, measurable goals and objectives described in the agency's application; and

''(3) how the agency coordinated funds received under this subpart with other Federal, State, and local funds.

''(b) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress an annual report setting forth the information provided to the Secretary pursuant to subsection (a).

''Subpart 2—Low-Income and Rural School Program

''SEC. 1621. DEFINITIONS.

''In this subpart:

''(1) POVERTY LINE.—The term 'poverty line' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

''(2) SPECIALLY QUALIFIED AGENCY.—The term 'specially qualified agency' means an eligible local educational agency, located in a State that does not participate in a program carried out under this subpart for a fiscal year, that applies directly to the Secretary for a grant for such year in accordance with section 1622(b).

''SEC. 1622. PROGRAM AUTHORIZED.

''(a) GRANTS TO STATES.—

''(1) IN GENERAL.—From the sum appropriated under section 1603 for a fiscal year and made available to carry out this subpart, the Secretary shall award grants, from allotments made under paragraph (2) , to State educational agencies that have applications approved under section 1624 to enable the State educational agencies to award grants to eligible local educational agencies for activities described in section 1114, 1115, 1116, 2207, 3107, or 6006.

''(2) ALLOTMENT.—From the sum appropriated under section 1603 for a fiscal year and made available to carry out this subpart, the Secretary shall allot to each State educational agency an amount that bears the same ratio to the sum as the number of students in average daily attendance at the schools served by eligible local educational agencies in the State for that fiscal year bears to the number of all such students at the schools served by eligible local educational agencies in all States for that fiscal year.

''(b) DIRECT GRANTS TO SPECIALLY QUALIFIED AGENCIES.—

''(1) NONPARTICIPATING STATE.—If a State educational agency elects not to participate in the program carried out under this subpart or does not have an application approved under section 1624, a specially qualified agency in such State desiring a grant under this subpart may apply directly to the Secretary under section 1624 to receive a grant under this subpart.

''(2) DIRECT AWARDS TO SPECIALLY QUALIFIED AGENCIES.—The Secretary may award, on a competitive basis, the amount the State educational agency is eligible to receive under subsection (a)(2) directly to specially qualified agencies in the State.

''(c) ADMINISTRATIVE COSTS.—A State educational agency that receives a grant under this subpart may not use more than 2 percent of the amount of the grant funds for State administrative costs.

''SEC. 1623. STATE DISTRIBUTION OF FUNDS.

''(a) IN GENERAL.—A State educational agency that receives a grant under this subpart shall use the funds made available through the grant to award grants to eligible local educational agencies to enable the local educational agencies to carry out activities described in section 1114, 1115, 1116, 2207, 3107, or 6006.

''(b) LOCAL AWARDS.—A local educational agency shall be eligible to receive a grant under this subpart if—

''(1) 20 percent or more of the children age 5 through 17 that are served by the local educational agency are from families with incomes below the poverty line; and

''(2) all of the schools served by the local educational agency are located in a community with a Rural-Urban Continuum Code of 6, 7, 8, or 9, as determined by the Secretary of Agriculture.

''(c) AWARD BASIS.—The State educational agency shall award the grants to eligible local educational agencies—

''(1) according to a formula based on the number of students in average daily attendance at schools served by the eligible local educational agencies; or

''(2) on a competitive basis if distribution by formula is impracticable as determined by the State educational agency.

''SEC. 1624. APPLICATIONS.

''(a) IN GENERAL.—Each State educational agency desiring a grant under section 1622(a) and each specially qualified agency desiring a grant under section 1622(b) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require.

''(b) CONTENTS.—Each application submitted under subsection (a) shall—

''(1) specify annual, measurable performance goals and objectives for the activities assisted under this subpart, at a minimum, with respect to—

''(A) increased student academic achievement;

''(B) decreased gaps in achievement between minority and non-minority students, and between economically disadvantaged and non-economically disadvantaged students (unless the Secretary determines the number of students in a category is insufficient to yield statistically reliable information); and

''(C) other factors that the State educational agency or eligible local educational agency may choose to measure;

''(2) describe how the State educational agency or specially qualified agency will hold local educational agencies and elementary schools or secondary schools receiving funds under this subpart accountable for meeting the annual, measurable goals and objectives;

''(3) describe how the State educational agency or specially qualified agency will provide technical assistance for a local educational agency, an elementary school, or a secondary school that does not meet the annual, measurable goals and objectives; and

''(4) describe how the State educational agency or specially qualified agency will take action against a local educational agency, an elementary school, or a secondary school, if the local educational agency or school fails, over 2 consecutive years, to meet the annual, measurable goals and objectives.

''SEC. 1625. USES OF FUNDS.

''Grant funds awarded to eligible local educational agencies under this subpart shall be used for—

''(1) educational technology activities;

''(2) high quality professional development for teachers and principals;

''(3) technical assistance;

''(4) recruitment and retention of fully qualified teachers, as defined in section 2002, and highly qualified principals;

''(5) parental involvement activities; or

''(6) other programs or activities that—

''(A) seek to raise the academic achievement levels of all elementary school and secondary school students; and

''(B) are based on State content and student performance standards.

''SEC. 1626. ACCOUNTABILITY.

''The Secretary, at the end of the third year that a State educational agency or specially qualified agency receives grant funds under this subpart, shall permit only those State educational agencies and specially qualified agencies that meet their annual, measurable goals and objectives for 2 consecutive years to continue to receive grant

funds for the fourth or fifth fiscal years of the program under this subpart.

"SEC. 1627. REPORTS AND STUDY.

''(a) STATE REPORTS.—Each State educational agency that receives a grant under this subpart shall provide an annual report to the Secretary. The report shall describe—

''(1) the method the State educational agency used to award grants to eligible local educational agencies and to provide assistance to elementary schools and secondary schools under this subpart;

''(2) how eligible local educational agencies, elementary schools, and secondary schools within the State used the grant funds provided under this subpart; and

''(3) the degree to which progress has been made toward meeting the annual, measurable goals and objectives described in the State application.

''(b) REPORTS FROM ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—Each eligible local educational agency receiving a grant under this subpart shall provide an annual report to the Secretary. Such report shall describe—

''(1) how the agency used the grant funds;

''(2) the degree to which progress has been made toward meeting the annual, measurable goals and objectives described in the agency's application; and

''(3) how the agency coordinated funds received under this subpart with other Federal, State, and local funds.

''(c) REPORT TO CONGRESS.—The Secretary shall prepare and submit to Congress an annual report setting forth the information provided to the Secretary pursuant to subsections (a) and (b).

''(d) STUDY.—The Comptroller General of the United States shall conduct a study regarding the impact of assistance provided under this subpart on student achievement, and shall submit such study to Congress.

"SEC. 1628. SUPPLEMENT NOT SUPPLANT.

''Funds made available under this subpart shall be used to supplement and not supplant any other Federal, State, or local education funds.

"SEC. 1629. SPECIAL RULE.

''No local educational agency may concurrently participate in activities carried out under subpart 1 and activities carried out under this subpart.''.

Subtitle G—General Provisions

SEC. 181. STATE ADMINISTRATION.

Section 1703 (20 U.S.C. 6513) (as redesignated by section 171(2)) is amended by striking subsection (c).

SEC. 182. DEFINITIONS.

Part G of title I (20 U.S.C. 6511 et seq.) (as redesignated by section 171(1)) is amended by adding at the end the following:

"SEC. 1705. DEFINITIONS.

''In this title:

''(1) FULLY QUALIFIED.—The term 'fully qualified' has the meaning given such term in section 2002.

''(2) LOW-PERFORMING STUDENT.—The term 'low-performing student' means a student who performs below a State's basic level of performance described in the State standards described in section 1111(b)(1).

''(3) SCIENTIFICALLY BASED RESEARCH.—Except as provided in section 1502, the term 'scientifically based research'—

''(A) means the application of rigorous, systematic, and objective procedures; and

''(B) shall include research that—

''(i) employs systematic, empirical methods that draw on observation or experiment;

''(ii) involves rigorous data analyses that are adequate to test stated hypotheses and justify the general conclusions drawn;

''(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

''(iv) has been accepted by a journal that uses peer review or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.''

TITLE II—TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE

SEC. 201. TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE.

Title II (20 U.S.C. 6601 et seq.) is amended to read as follows:

"TITLE II—TEACHER AND PRINCIPAL QUALITY, PROFESSIONAL DEVELOPMENT, AND CLASS SIZE

"SEC. 2001. PURPOSE.

''The purpose of this title is to provide grants to State educational agencies and local educational agencies in order to assist their efforts to increase student academic achievement through such strategies as improving teacher and principal quality, increasing professional development, and decreasing class size.

"SEC. 2002. DEFINITIONS.

''In this title:

''(1) CHARTER SCHOOL.—The term 'charter school' has the meaning given the term in section 4210.

''(2) CORE ACADEMIC SUBJECT.—The term 'core academic subject', used with respect to a State, means English language arts, mathematics, science, and any other academic subject that the State determines is a core academic subject.

''(3) FULLY QUALIFIED.—The term 'fully qualified' means—

''(A) in the case of an elementary school teacher (other than a teacher teaching in a public charter school or a middle school teacher), a teacher who, at a minimum—

''(i) has obtained State certification (which may include certification obtained through alternative means), or a State license, to teach in the State in which the teacher teaches;

''(ii) holds a bachelor's degree from an institution of higher education; and

''(iii) demonstrates the subject matter knowledge, teaching knowledge, and teaching skills required to teach effectively reading, writing, mathematics, science, social studies, and other elements of a liberal arts education;

''(B) in the case of a middle school or secondary school teacher (other than a teacher teaching in a public charter school), a teacher who, at a minimum—

''(i) has obtained State certification (which may include certification obtained through alternative means), or a State license, to teach in the State in which the teacher teaches;

''(ii) holds a bachelor's degree from an institution of higher education; and

''(iii) demonstrates a high level of competence in all academic subjects in which the teacher teaches through—

''(I) completion of an academic major (or courses totaling an equivalent number of credit hours) in each of the academic subjects in which the teacher teaches;

''(II) in the case of a teacher who is a mid-career professional entering the teaching profession, achievement of—

''(aa) a high level of performance in other professional employment experience relevant to the core academic subjects that the teacher teaches; and

''(bb) achievement of a level of performance described in subclause (III); or

''(III) achievement of a high level of performance on rigorous academic subject area tests administered by the State in which the teacher teaches; and

''(C) in the case of a teacher teaching in a public charter school—

''(i) meets the requirements of State law, if any, relating to certification or licensing to teach in the State in a charter school;

''(ii) meets the requirements of State law, if any, regarding holding a degree from an institution of higher education to teach in a charter school; and

''(iii)(I) in the case of an elementary school teacher (other than a middle school teacher), demonstrates the knowledge and skills described in subparagraph (A)(iii); or

''(II) in the case of a middle school or secondary school teacher, demonstrates a high level of competence as described in subparagraph (B)(iii).

''(4) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education, as defined in section 101 of the Higher Education Act of 1965, that—

''(A) has not been identified as low-performing under section 208 of the Higher Education Act of 1965; and

''(B) is in full compliance with the public reporting requirements described in section 207 of the Higher Education Act of 1965.

''(5) LOW-PERFORMING STUDENT.—The term 'low-performing student' means a student who, based on multiple measures, performs at or below a State's basic level of performance for the student's grade level, as described in the State student performance standards described in section 1111(b)(1).

''(6) OUTLYING AREA.—The term 'outlying area' means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

''(7) POVERTY LINE.—The term 'poverty line' means 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 Community Services Block Grant Act) applicable to a family of the size involved, for the most recent year for which satisfactory data are available.

''(8) SCHOOL-AGE POPULATION.—The term 'school-age population' means the population aged 5 through 17, as determined on the basis of the most recent satisfactory data.

''(9) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given the term in section 1705.

''(10) STATE.—The term 'State' means each of the several States in the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(11) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the entity or agency designated under the laws of a State as responsible for teacher certification or licensing in the State.

"PART A—TEACHER AND PRINCIPAL QUALITY AND PROFESSIONAL DEVELOPMENT

"SEC. 2101. PROGRAM AUTHORIZED.

''(a) GRANTS AUTHORIZED.—The Secretary shall award a grant, from an allotment made under subsection (b), to each State educational agency having a State plan approved under section 2103, to enable the State educational agency to raise the quality of, and provide professional development opportunities for, public elementary school and secondary school teachers, principals, and administrators.

''(b) RESERVATIONS AND ALLOTMENTS.—

''(1) RESERVATIONS.—From the amount appropriated under section 2114 to carry out this part for each fiscal year, the Secretary shall reserve—

''(A) ½ of 1 percent of such amount for payments to the Bureau of Indian Affairs for activities, approved by the Secretary, consistent with this part;

''(B) ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this part as determined by the Secretary, for activities, approved by the Secretary, consistent with this part; and

''(C) such sums as may be necessary to continue to support any multiyear partnership program award made under part A, C, or D (as such part was in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) until the termination of the multiyear award.

''(2) STATE ALLOTMENTS.—From the amount appropriated under section 2114 for a fiscal year and remaining after the Secretary makes reservations under paragraph (1), the Secretary shall allot to each State having a State plan approved under section 2103 the sum of—

''(A) an amount that bears the same relationship to 50 percent of the remainder as the school-age population from families with incomes below the poverty line in the State bears to the school-age population from families with incomes below the poverty line in all States; and

''(B) an amount that bears the same relationship to 50 percent of the remainder as the school-age population in the State bears to the school-age population in all States.

''(c) STATE MINIMUM.—For any fiscal year, no State shall be allotted under this section an amount that is less than ½ of 1 percent of the total amount allotted to all States under subsection (b)(2).

''(d) HOLD-HARMLESS AMOUNTS.—For fiscal year 2002, notwithstanding subsection (b)(2), the amount allotted to each State under subsection (b)(2) shall be not less than 100 percent of the total amount the State was allotted under part B (as such part was in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) for fiscal year 2001.

''(e) RATABLE REDUCTIONS.—If the sums made available under subsection (b)(2) for any fiscal year are insufficient to pay the full amounts that all States are eligible to receive under subsection (d) for such year, the Secretary shall ratably reduce such amounts for such year.

''SEC. 2102. WITHIN-STATE ALLOCATION.

''(a) IN GENERAL.—Each State educational agency for a State receiving a grant under section 2101(a) shall—

''(1) set aside 15 percent of the grant funds to award educator partnership grants under section 2113;

''(2) set aside not more than 5 percent of the grant funds to carry out activities described in the State plan submitted under section 2103; and

''(3) using the remaining 80 percent of the grant funds, make subgrants by allocating to each local educational agency in the State the sum of—

''(A) an amount that bears the same relationship to 60 percent of the remainder as the school-age population from families with incomes below the poverty line in the area served by the local educational agency bears to the school-age population from families with incomes below the poverty line in the area served by all local educational agencies in the State; and

''(B) an amount that bears the same relationship to 40 percent of the remainder as the school-age population in the area served by the local educational agency bears to the school-age population in the area served by all local educational agencies in the State.

''(b) HOLD-HARMLESS AMOUNTS.—

''(1) FISCAL YEAR 2002.—For fiscal year 2002, notwithstanding subsection (a), the amount allocated to each local educational agency under this section shall be not less than 100 percent of the total amount the local educational agency was allocated under part B (as such part was in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) for fiscal year 2001.

''(2) FISCAL YEAR 2003.—For fiscal year 2003, notwithstanding subsection (a), the amount allocated to each local educational agency under this section shall be not less than 85 percent of the amount allocated to the local educational agency under this section for fiscal year 2002.

''(3) FISCAL YEARS 2004–2006.—For each of fiscal years 2004 through 2006, notwithstanding subsection (a), the amount allocated to each local educational agency under this section shall be not less than 70 percent of the amount allocated to the local educational agency under this section for the previous fiscal year.

''(c) RATABLE REDUCTIONS.—If the sums made available under subsection (a)(3) for any fiscal year are insufficient to pay the full amounts that all local educational agencies are eligible to receive under subsection (b) for such year, the State educational agency shall ratably reduce such amounts for such year.

''SEC. 2103. STATE PLANS.

''(a) PLAN REQUIRED.—

''(1) COMPREHENSIVE STATE PLAN.—The State educational agency shall submit a State plan to the Secretary at such time, in such manner, and containing such information as the Secretary may require. If the State educational agency (as defined in section 8101) is not the entity or agency designated under the laws of the State as responsible for teacher certification or licensing in the State, then the plan shall be developed in consultation with the State educational agency. The entity or agency shall provide annual evidence of such consultation to the Secretary.

''(2) CONSOLIDATED PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidated plan under section 8302.

''(b) CONTENTS.—Each plan submitted under subsection (a) shall—

''(1) describe how the State educational agency is taking reasonable steps to—

''(A) reform teacher certification, recertification, or licensure requirements to ensure that—

''(i) teachers have the necessary subject matter knowledge, teaching knowledge, and teaching skills in the academic subjects that the teachers teach;

''(ii) such requirements are aligned with the challenging State content standards;

''(iii) teachers have the knowledge and skills necessary to help students meet the challenging State student performance standards;

''(iv) such requirements take into account the need, as determined by the State educational agency, for greater access to, and participation in, the teaching profession by individuals from historically underrepresented groups; and

''(v) teachers have the necessary technological skills to integrate technology more effectively in the teaching of content required by State and local standards in all academic subjects that the teachers teach;

''(B) develop and implement rigorous testing procedures for teachers, as described in subparagraphs (A)(iii) and (B)(iii)(IV) of section 2002(3), to ensure that the teachers have the subject matter knowledge, teaching knowledge, and teaching skills necessary to teach effectively the content required by State and local standards in the academic subjects that the teachers teach;

''(C) establish, expand, or improve alternative routes to State certification of teachers, especially in the areas of mathematics and science, for highly qualified individuals with a baccalaureate degree, including midcareer professionals from other occupations, paraprofessionals, former military personnel, and recent college or university graduates who have records of academic distinction and who demonstrate the potential to become highly effective teachers;

''(D) reduce emergency teacher certification;

''(E) develop and implement effective programs, and provide financial assistance, to assist local educational agencies, elementary schools, and secondary schools in effectively recruiting and retaining fully qualified teachers and principals, particularly in schools that have the lowest proportion of fully qualified teachers or the highest proportion of low-performing students;

''(F) provide professional development programs that meet the requirements described in section 2109;

''(G) provide programs that are designed to assist new teachers during their first 3 years of teaching, such as mentoring programs that—

''(i) provide mentoring to new teachers from veteran teachers with expertise in the same academic subject as the new teachers are teaching;

''(ii) provide mentors time for activities such as coaching, observing, and assisting teachers who are being mentored; and

''(iii) use standards or assessments that are consistent with the State's student performance standards and the requirements for professional development activities described in section 2109 in order to guide the new teachers;

''(H) provide technical assistance to local educational agencies in developing and implementing activities described in section 2108; and

''(I) ensure that programs in core academic subjects, particularly in mathematics and science, will take into account the need for greater access to, and participation in, such core academic subjects by students from historically underrepresented groups, including females, minorities, individuals with limited English proficiency, the economically disadvantaged, and individuals with disabilities, by incorporating pedagogical strategies and techniques that meet such students' educational needs;

''(2) describe the activities for which assistance is sought under the grant, and how such activities will improve students' academic achievement and close academic achievement gaps of economically disadvantaged, minority, and limited English proficient students;

''(3) describe how the State educational agency will establish annual numerical performance objectives under section 2104 for improving the qualifications of teachers and the professional development of teachers, principals, and administrators;

''(4) contain an assurance that the State educational agency consulted with local educational agencies, education-related community groups, nonprofit organizations, parents, teachers, school administrators, local school boards, institutions of higher education in the State, and content specialists in establishing the performance objectives described in section 2104;

''(5) describe how the State educational agency will hold local educational agencies, elementary schools, and secondary schools

accountable for meeting the performance objectives described in section 2104 and for reporting annually on the local educational agencies' and schools' progress in meeting the performance objectives;

''(6) describe how the State educational agency will ensure that a local educational agency receiving a subgrant under section 2102 will comply with the requirements of this part;

''(7) provide an assurance that the State educational agency will require each local educational agency, elementary school, or secondary school receiving funds under this part to report publicly the local educational agency's or school's annual progress with respect to the performance objectives described in section 2104; and

''(8) describe how the State educational agency will coordinate professional development activities provided under the program carried out under this part with professional development activities provided under other Federal, State, and local programs, including programs authorized under titles I and III and, where appropriate, the Individuals with Disabilities Education Act and the Carl D. Perkins Vocational and Technical Education Act of 1998.

''(c) SECRETARY APPROVAL.—The Secretary, after using a peer review process, shall approve a State plan if the plan meets the requirements of this section.

''(d) DURATION OF THE PLAN.—

''(1) IN GENERAL.—Each State plan shall—

''(A) remain in effect for the duration of the State educational agency's participation under this part; and

''(B) be periodically reviewed and revised by the State educational agency, as necessary, to reflect changes to the agency's strategies and programs carried out under this part.

''(2) ADDITIONAL INFORMATION.—If a State educational agency receiving a grant under this part makes significant changes to the State plan, such as the adoption of new performance objectives, the agency shall submit information regarding the significant changes to the Secretary.

''SEC. 2104. STATE PERFORMANCE OBJECTIVES.

''(a) IN GENERAL.—Each State educational agency receiving a grant under this part shall establish annual numerical performance objectives with respect to progress in improving the qualifications of teachers and the professional development of teachers, principals, and administrators. For each annual numerical performance objective established, the agency shall specify an incremental percentage increase for the objective to be attained for each fiscal year (after the first fiscal year) for which the agency receives a grant under this part, relative to the preceding fiscal year.

''(b) REQUIRED OBJECTIVES.—At a minimum, the annual numerical performance objectives described in subsection (a) shall include an incremental increase in the percentage of—

''(1) classes in core academic subjects that are being taught by fully qualified teachers;

''(2) new teachers and principals receiving professional development support, including mentoring during the teachers' and principals' first 3 years of employment as teachers and principals, respectively;

''(3) teachers, principals, and administrators participating in high quality professional development programs that are consistent with section 2109; and

''(4) fully qualified teachers teaching in the State, to ensure that all teachers teaching in such State are fully qualified by December 31, 2006.

''(c) REQUIREMENT FOR FULLY QUALIFIED TEACHERS.—Each State educational agency receiving a grant under this part shall ensure that all public elementary school and secondary school teachers in the State are fully qualified not later than December 31, 2006.

''(d) ACCOUNTABILITY.—

''(1) IN GENERAL.—Each State educational agency receiving a grant under this part shall be held accountable for—

''(A) meeting the State's annual numerical performance objectives; and

''(B) meeting the reporting requirements described in section 4401.

''(2) SANCTIONS.—Any State educational agency that fails to meet the requirement described in paragraph (1)(A) shall be subject to sanctions under section 7101.

''(e) SPECIAL RULE.—Notwithstanding any other provision of law, the provisions of subsection (c) shall not supersede State laws governing public charter schools.

''SEC. 2105. STATE OPTIONAL ACTIVITIES.

''(a) IN GENERAL.—Each State educational agency receiving a grant under section 2101(a) may use the grant funds described in section 2102(a)(2)—

''(1) to develop and implement a system to measure the effectiveness of specific professional development programs and strategies;

''(2) to increase the portability of teacher pensions and reciprocity of teaching certification or licensure among States, except that no reciprocity agreement developed under this section may lead to the weakening of any State teacher certification or licensing requirement;

''(3) to develop or assist local educational agencies in the development and utilization of proven, innovative strategies to deliver intensive professional development programs that are cost effective and easily accessible, such as programs offered through the use of technology and distance learning;

''(4) to provide assistance to local educational agencies for the development and implementation of innovative professional development programs that train teachers to use technology to improve teaching and learning and that are consistent with the requirements of section 2109;

''(5) to provide professional development to enable teachers to ensure that female students, minority students, limited English proficient students, students with disabilities, and economically disadvantaged students have the full opportunity to meet challenging State content and performance standards in the core academic subjects;

''(6) to increase the number of persons who are women, minorities, or individuals with disabilities, who teach in the State, who are fully qualified, and who teach in core academic subjects in which such persons are underrepresented;

''(7) to increase the number of highly qualified women, minorities, and individuals from other underrepresented groups who are involved in the administration of elementary schools and secondary schools within the State; and

''(8) to create a statewide online leadership network for principals to communicate with other principals in order to share ideas and solve problems.

''(b) COORDINATION.—Each State that receives a grant under this part and a grant under section 202 of the Higher Education Act of 1965 shall coordinate the activities the State carries out under such section 202 with the activities the State educational agency carries out under this section.

''SEC. 2106. STATE ADMINISTRATIVE EXPENSES.

''Each State educational agency receiving a grant under section 2101(a) may use not more than 5 percent of the amount set aside in section 2102(a)(2) for a fiscal year for the cost of—

''(1) planning and administering the activities described in section 2103(b); and

''(2) administration relating to making subgrants to local educational agencies under section 2102.

''SEC. 2107. LOCAL PLANS.

''(a) IN GENERAL.—Each local educational agency desiring a subgrant from the State educational agency under section 2102(a)(3) shall submit a local plan to the State educational agency—

''(1) at such time, in such manner, and containing such information as the State educational agency may require; and

''(2) that describes how the local educational agency will coordinate the activities for which the agency seeks the subgrant with other programs carried out under this Act, or other Acts, as appropriate.

''(b) LOCAL PLAN CONTENTS.—The local plan described in subsection (a) shall, at a minimum—

''(1) describe how the local educational agency will use the subgrant funds to meet the State performance objectives for teacher qualifications and professional development described in section 2104;

''(2) describe how the local educational agency will hold elementary schools and secondary schools accountable for meeting the requirements described in this part;

''(3) contain an assurance that the local educational agency will target funds to the elementary schools and secondary schools served by the local educational agency that—

''(A) have the lowest proportion of fully qualified teachers; and

''(B) are identified for school improvement and corrective action under section 1116;

''(4) describe how the local educational agency will coordinate professional development activities authorized under section 2108(a) with professional development activities provided through other Federal, State, and local programs, including those authorized under titles I and III and, where applicable, the Individuals with Disabilities Education Act and the Carl D. Perkins Vocational and Technical Education Act of 1998; and

''(5) describe how the local educational agency has collaborated with teachers, principals, parents, and administrators in the preparation of the local plan.

''SEC. 2108. LOCAL ACTIVITIES.

''(a) IN GENERAL.—Each local educational agency receiving a subgrant under section 2102(a)(3) shall use the subgrant funds to—

''(1) support professional development activities, for—

''(A) teachers, in at least the areas of reading, mathematics, and science; and

''(B) teachers, principals, and administrators in order to provide such individuals with the knowledge and skills to provide all students, including female students, minority students, limited English proficient students, students with disabilities, and economically disadvantaged students, with the opportunity to meet challenging State content and student performance standards;

''(2) provide professional development to teachers, principals, and administrators to enhance the use of technology within elementary schools and secondary schools in order to deliver more effective curriculum instruction;

''(3) recruit and retain fully qualified teachers and highly qualified principals, particularly for elementary schools and secondary schools located in areas with high percentages of low-performing students and students from families with incomes below the poverty line;

''(4) recruit and retain fully qualified teachers and highly qualified principals to

serve in the elementary schools and secondary schools with the highest percentages of low-performing students, through activities such as—

''(A) mentoring programs for newly hired teachers, including programs provided by master teachers, and for newly hired principals; and

''(B) programs that provide other incentives, including financial incentives, to retain—

''(i) teachers who have a record of success in helping low-performing students improve those students' academic success; and

''(ii) principals who have a record of improving the performance of all students, or significantly narrowing the gaps between minority students and nonminority students, and economically disadvantaged students and noneconomically disadvantaged students, within the elementary schools or secondary schools served by the principals;

''(5) provide professional development that incorporates effective strategies, techniques, methods, and practices for meeting the educational needs of diverse groups of students, including female students, minority students, students with disabilities, limited English proficient students, and economically disadvantaged students; and

''(6) provide professional development for mental health professionals, including school psychologists, school counselors, and school social workers, that is focused on enhancing the skills and knowledge of such individuals so that the individuals may help students exhibiting distress (through conduct such as substance abuse, disruptive behavior, and suicidal behavior) meet the challenging State student performance standards.

''(b) OPTIONAL ACTIVITIES.—Each local educational agency receiving a subgrant under section 2102(a)(3) may use the subgrant funds—

''(1) to provide a signing bonus or other financial incentive, such as differential pay, for—

''(A) a fully qualified teacher to teach in an academic subject for which there exists a shortage of fully qualified teachers within the elementary school or secondary school in which the teacher teaches or within the elementary schools and secondary schools served by the local educational agency;

''(B) a fully qualified teacher or a highly qualified principal in a school in which there is—

''(i) a large percentage of students from economically disadvantaged families; or

''(ii) a high percentage of low-performing students; or

''(C) a teacher who has met the National Education Technology Standards, as developed by the Department of Education and the International Society for Technology in Education, or has obtained an information technology certification that is directly related to the curriculum or subject area that the teacher teaches;

''(2) to establish programs that—

''(A) recruit professionals into teaching from other fields and provide such professionals with alternative routes to teacher certification, especially in the areas of mathematics, science, and English language arts; and

''(B) provide increased teaching and administration opportunities for fully qualified females, minorities, individuals with disabilities, and other individuals underrepresented in the teaching or school administration professions; and

''(3) to establish programs and activities that are designed to improve the quality of the teacher and principal force, such as innovative professional development programs (which may be provided through partnerships, including partnerships with institutions of higher education), and including programs that—

''(A) train teachers and principals to utilize technology to improve teaching and learning;

''(B) develop principals by helping schools identify school leaders and invest in their professional development; and

''(C) are provided in a manner consistent with the requirements of section 2019;

''(4) to provide collaboratively designed performance pay systems for teachers and principals that encourage teachers and principals to work together to raise student performance;

''(5) to establish professional development programs that provide instruction in how to teach students with different learning styles, particularly students with disabilities and students with special learning needs (including students who are gifted and talented);

''(6) to establish professional development programs that provide instruction in how best to discipline students in the classroom, and to identify early and appropriate interventions to help students described in paragraph (5) learn;

''(7) to provide professional development programs that provide instruction in how to teach character education in a manner that—

''(A) reflects the values of parents, teachers, and local communities; and

''(B) incorporates elements of good character, including honesty, citizenship, courage, justice, respect, personal responsibility, and trustworthiness;

''(8) to provide scholarships or other incentives to assist teachers in attaining national board certification;

''(9) to support activities designed to provide effective professional development for teachers of limited English proficient students;

''(10) to establish other activities designed—

''(A) to improve professional development for teachers, principals, and administrators; and

''(B) to recruit and retain fully qualified teachers and highly qualified principals;

''(11) to establish master teacher programs to increase teacher salaries and employee benefits for teachers who enter into contracts with the local educational agency to serve as master teachers in the public schools, in accordance with the requirements of subsection (c); and

''(12) to carry out professional development activities that consist of—

''(A) instruction in the use of data and assessments to provide information and instruction for classroom practice;

''(B) instruction in ways that teachers, principals, pupil services personnel, and school administrators may work more effectively with parents;

''(C) the formation of partnerships with institutions of higher education to establish school-based teacher training programs that provide prospective teachers and new teachers with an opportunity to work under the guidance of experienced teachers and college faculty;

''(D) the creation of career ladder programs for paraprofessionals, who are assisting teachers under this part, to obtain the education necessary for such paraprofessionals to become certified and licensed teachers;

''(E) instruction in ways to teach special needs students;

''(F) joint professional development activities involving teachers, principals, and administrators eligible to participate in programs under this part, and personnel from Head Start programs, Even Start programs, or State preschool programs;

''(G) instruction in experiential-based teaching methods such as service-learning or applied learning; and

''(H) mentoring programs focusing on changing teacher behaviors and practices—

''(i) to help new teachers, including teachers who are members of a minority group, develop and gain confidence in their skills;

''(ii) to increase the likelihood that the new teachers will continue in the teaching profession; and

''(iii) to improve the quality of their teaching.

''(c) REQUIREMENTS FOR MASTER TEACHER PROGRAMS.—

''(1) DEFINITION.—In this subsection, the term 'master teacher' means a teacher who—

''(A) is certified or licensed under State law;

''(B) has been teaching for at least 5 years in a public or private school or institution of higher education;

''(C) is selected to serve as a master teacher on the basis of an application and recommendations by administrators and other teachers;

''(D) at the time of submission of such application, is teaching in a public school;

''(E) assists other teachers in improving instructional strategies, improves the skills of other teachers, performs mentoring, develops curricula, and provides other professional development; and

''(F) enters into a contract with the local educational agency involved to continue to teach and serve as a master teacher for at least 5 years.

''(2) REQUIREMENTS FOR MASTER TEACHER CONTRACTS.—

''(A) IN GENERAL.—A local educational agency that establishes a master teacher program under subsection (b)(11) shall negotiate the terms of contracts of master teachers with the local labor organizations that represent teachers in the school district served by that agency.

''(B) BREACH.—A contract with a master teacher entered into under this paragraph shall specify that a breach of the contract shall be deemed to have occurred if the master teacher voluntarily withdraws from the program, terminates the contract, or is dismissed by the local educational agency for nonperformance of duties, subject to the requirements of any statutory or negotiated due process procedures that may apply.

''(C) REPAYMENT.—The contract shall require, in the event of a breach of the contract described in subparagraph (B), that the teacher repay the local educational agency all funds provided to the teacher under the contract.

''(d) REQUIREMENTS.—Professional development provided under this section shall be provided in a manner consistent with section 2109.

''SEC. 2109. PROFESSIONAL DEVELOPMENT FOR TEACHERS.

''(a) LIMITATION RELATING TO CURRICULA AND ACADEMIC SUBJECTS.—In deciding how to use subgrant funds allocated under section 2102(a)(3) to support a professional development activities for teachers, a local educational agency shall first use the funds to support activities that—

''(1) are directly related to the curricula and academic subjects that the teachers teach; or

''(2) are designed to enhance the ability of the teachers to understand and use the State's challenging content standards for the academic subjects that the teachers teach; or

''(3) provide instruction in methods of disciplining students.

''(b) PROFESSIONAL DEVELOPMENT ACTIVITY.—A professional development activity carried out under this part shall—

''(1) be measured, in terms of progress described in section 2104(a), using the specific performance objectives established by the State educational agency in accordance with section 2104;

''(2) be tied to challenging State or local content standards and student performance standards;

''(3) be tied to scientifically based research demonstrating the effectiveness of such activity in increasing student achievement or substantially increasing the subject matter knowledge, teaching knowledge, and teaching skills of teachers;

''(4) be of sufficient intensity and duration (not to include such activities as 1-day or short-term workshops and conferences) to have a positive and lasting impact on teachers' performance in the classroom, except that this paragraph shall not apply to an activity that is 1 component described in a long-term comprehensive professional development plan—

''(A) established by a teacher and the teacher's supervisor; and

''(B) based on an assessment of the needs of the teacher, the teacher's students, and the local educational agency involved;

''(5) be developed with extensive participation of teachers, principals, parents, administrators, and local school boards of elementary schools and secondary schools to be served under this part, and institutions of higher education in the State involved, and, with respect to any professional development program described in paragraph (6) or (7) of section 2108(b), shall, if applicable, be developed with extensive coordination with, and participation of, professionals with expertise in such type of professional development;

''(6) to the extent appropriate, provide training for teachers regarding using technology and applying technology effectively in the classroom, to improve teaching and learning concerning the curricula and academic subjects that the teachers teach; and

''(7) be directly related to the academic subjects that the teachers teach and the State content standards.

''(c) ACCOUNTABILITY.—

''(1) IN GENERAL.—A State educational agency shall notify a local educational agency that the local educational agency may be subject to the action described in paragraph (3) if, after any fiscal year, the State educational agency determines that the programs or activities funded by the agency under this part fail to meet the requirements of subsections (a) and (b).

''(2) TECHNICAL ASSISTANCE.—A local educational agency that has received notification pursuant to paragraph (1) may request technical assistance from the State educational agency and an opportunity for such local educational agency to comply with the requirements of subsections (a) and (b).

''(3) STATE EDUCATIONAL AGENCY ACTION.—If a State educational agency determines that a local educational agency failed to carry out the local educational agency's responsibilities under subsections (a) and (b), the State educational agency shall take such action as the agency determines to be necessary, consistent with this section, to provide, or direct the local educational agency to provide, high-quality professional development for teachers, principals, and administrators.

''SEC. 2110. PARENTS' RIGHT TO KNOW.

''Each local educational agency receiving a subgrant under section 2102(a)(3) shall meet the reporting requirements with respect to teacher qualifications described in section 4401(f).

''SEC. 2111. LOCAL ADMINISTRATIVE EXPENSES.

''Each local educational agency receiving a subgrant under section 2102(a)(3) may use not more than 1.5 percent of the subgrant funds for a fiscal year for the cost of administering activities under this part.

''SEC. 2112. GENERAL ACCOUNTING OFFICE STUDY.

''Not later than September 30, 2005, the Comptroller General of the United States shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report setting forth information regarding—

''(1) the progress of States' in achieving compliance concerning increasing the percentage of fully qualified teacher, for fiscal years 2002 through 2004;

''(2) any obstacles to achieving that compliance; and

''(3) the approximate percentage of Federal, State, and local resources being expended to carry out activities to attract and retain fully qualified teachers, especially in geographic areas and core academic subjects in which a shortage of such teachers exists.

''SEC. 2113. EDUCATOR PARTNERSHIP GRANTS.

''(a) SUBGRANTS.—

''(1) IN GENERAL.—A State educational agency receiving a grant under section 2101(a) shall award subgrants, on a competitive basis, from amounts made available under section 2102(a)(1), to local educational agencies, elementary schools, and secondary schools, that have formed educator partnerships, for the design and implementation of programs that will enhance professional development opportunities for teachers, principals, and administrators, and will increase the number of fully qualified teachers.

''(2) ALLOCATIONS.—A State educational agency awarding subgrants under this subsection shall allocate the subgrant funds on a competitive basis and in a manner that results in an equitable distribution of the subgrant funds by geographic areas within the State.

''(b) EDUCATOR PARTNERSHIPS.—An educator partnership described in subsection (a) shall be a coalition established by a cooperative arrangement between—

''(1) a public elementary school or secondary school (including a charter school), or a local educational agency; and

''(2) 1 or more of the following:

''(A) An institution of higher education.

''(B) An educational service agency.

''(C) A public or private not-for-profit education organization.

''(D) A for-profit education organization.

''(E) An entity from outside the traditional education arena, including a corporation or consulting firm.

''(c) USE OF FUNDS.—An educator partnership receiving a subgrant under this section shall use the subgrant funds for 1 or more activities consisting of—

''(1) developing and enhancing professional development activities for teachers in core academic subjects to ensure that the teachers have subject matter knowledge in the academic subjects that the teachers teach;

''(2) developing and enhancing professional development activities for mathematics and science teachers to ensure that such teachers have the subject matter knowledge to teach mathematics and science;

''(3) developing and providing assistance to local educational agencies and elementary schools and secondary schools for sustained, high-quality professional development activities for teachers, principals, and administrators, that—

''(A) ensure that teachers, principals, and administrators are able to use State content standards, performance standards, and assessments to improve instructional practices and student achievement; and

''(B) may include intensive programs designed to prepare a teacher who participates in such a program to provide professional development instruction to other teachers within the participating teacher's school;

''(4) increasing the number of fully qualified teachers available to provide high-quality education to limited English proficient students by—

''(A) working with institutions of higher education that offer degree programs, to attract more people into such programs, and to prepare better new teachers who are English language teachers to provide effective language instruction to limited English proficient students; and

''(B) supporting development and implementation of professional development programs for language instruction teachers to improve the language proficiency of limited English proficient students;

''(5) developing and implementing professional development activities for principals and administrators to enable the principals and administrators to be effective school leaders and to improve student achievement on challenging State content and student performance standards, including professional development relating to—

''(A) leadership skills;

''(B) recruitment, assignment, retention, and evaluation of teachers and other staff;

''(C) effective instructional practices, including the use of technology; and

''(D) parental and community involvement; and

''(6) providing activities that enhance professional development opportunities for teachers, principals, and administrators or will increase the number of fully qualified teachers.

''(d) APPLICATION REQUIRED.—Each educator partnership desiring a subgrant under this section shall submit an application to the appropriate State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require.

''(e) ADMINISTRATIVE EXPENSES.—Each educator partnership receiving a subgrant under this section may use not more than 5 percent of the subgrant funds for a fiscal year for the cost of planning and administering programs under this section.

''(f) COORDINATION.—Each educator partnership that receives a subgrant under this section and a grant under section 203 of the Higher Education Act of 1965 shall coordinate the activities carried out under such section 203 with any related activities carried out under this section.

''SEC. 2114. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $2,000,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''PART B—CLASS SIZE REDUCTION

''SEC. 2201. FINDINGS.

''Congress makes the following findings:

''(1) Rigorous research has shown that, in the early elementary school grades, students attending small classes make more rapid educational gains than students in larger classes, and that those gains persist through at least the eighth grade.

''(2) The benefits of smaller classes are greatest for lower-achieving, minority, poor, and inner-city children, as demonstrated by a study that found that urban fourth graders in smaller-than-average classes were ¾ of a school year ahead of their counterparts in larger-than-average classes.

''(3) Teachers in small classes can provide students with more individualized attention, spend more time on instruction and less time on other tasks, and cover more material effectively, and are better able to work with

parents to further their children's education, than teachers in large classes.

''(4) Smaller classes allow teachers to identify and work with students who have learning disabilities sooner than is possible with larger classes, potentially reducing those students' needs for special education services in the later grades.

''(5) The National Research Council report, 'Preventing Reading Difficulties in Young Children', recommends reducing class sizes, accompanied by providing high-quality professional development for teachers, as a strategy for improving student achievement in reading.

''(6) Some research has shown that class size reduction efforts are most effective in the early elementary school grades.

''(7) Efforts to improve educational outcomes by reducing class sizes in the early elementary school grades are likely to be successful only if well-qualified teachers are hired to fill additional classroom positions, and if teachers receive intensive, ongoing professional development.

''(8) Several States and school districts have begun serious efforts to reduce class sizes in the early elementary school grades, but those efforts may be impeded by financial limitations or difficulties in hiring highly qualified teachers.

''(9) The Federal Government can assist in those efforts by providing funding for class size reductions in grades 1 through 3, and by helping to ensure that both new and current teachers who are moving into smaller classrooms are well prepared.

''SEC. 2202. PURPOSES.

''The purposes of this part are—

''(1) to help States and local educational agencies to reduce class sizes with fully qualified teachers;

''(2) to enable local educational agencies to carry out effective approaches to reducing class sizes with fully qualified teachers; and

''(3) to improve educational achievement for children in regular classes and special needs children, and particularly to improve that achievement by reducing class sizes in the early elementary school grades.

''SEC. 2203. ALLOTMENTS TO STATES.

''(a) RESERVATIONS FOR THE OUTLYING AREAS AND THE BUREAU OF INDIAN AFFAIRS.—From the amount appropriated under section 2212 for any fiscal year, the Secretary shall reserve a total of not more than 1 percent to make payments to—

''(1) outlying areas, to be allotted in accordance with their respective needs for assistance under this part as determined by the Secretary, for activities, approved by the Secretary, consistent with this part; and

''(2) the Secretary of the Interior for activities approved by the Secretary of Education, consistent with this part, in schools operated or supported by the Bureau of Indian Affairs, on the basis of their respective needs.

''(b) ALLOTMENTS TO STATES.—

''(1) IN GENERAL.—

''(A) FISCAL YEAR 2002.—From the amount appropriated under section 2212 for fiscal year 2002 and remaining after the Secretary makes reservations under subsection (a), the Secretary shall make grants to State educational agencies by allotting to each State having a State application approved under section 2204(c) an amount that bears the same relationship to the remainder as the greater of the amounts that the State received for the preceding fiscal year under sections 1122 and 2202(b) (as such sections were in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) bears to the total of the greater amounts that all States received under such sections for fiscal year 2001.

''(B) FISCAL YEAR 2003 AND SUBSEQUENT FISCAL YEARS.—From the amount appropriated under section 2212 for fiscal year 2003 or a subsequent fiscal year and remaining after the Secretary makes reservations under subsection (a), the Secretary shall make grants to State educational agencies by allotting to each State having a State application approved under section 2204(c) an amount that bears the same relationship to the remainder as the greater of the amounts that the State received for the preceding fiscal year as described in section 1122 and this section bears to the total of the greater amounts that all States received under such sections for the preceding fiscal year.

''(2) REALLOTMENT.—If any State chooses not to participate in the program carried out under this part, or fails to submit an approvable application under this part, the Secretary shall reallot the amount that such State would have received under paragraph (1) to States having applications approved under section 2204(c), in accordance with paragraph (1).

''SEC. 2204. STATE APPLICATIONS.

''(a) APPLICATIONS REQUIRED.—The State educational agency for each State desiring a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(b) CONTENTS.—The application shall include—

''(1) a description of the State's goals for using funds under this part to reduce average class sizes in regular classrooms in grades 1 through 3, including a description of class sizes in those classrooms, for each local educational agency in the State (as of the date of submission of the application);

''(2) a description of how the State educational agency will allocate program funds made available through the grant within the State;

''(3) a description of how the State educational agency will use other funds, including other Federal funds, to reduce class sizes and to improve teacher quality and reading achievement within the State; and

''(4) an assurance that the State educational agency will submit to the Secretary such reports and information as the Secretary may reasonably require.

''(c) APPROVAL OF APPLICATIONS.—The Secretary shall approve a State application submitted under this section if the application meets the requirements of this section and holds reasonable promise of achieving the purposes of this part.

''(d) NOTIFICATION.—Not later than 30 days after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act, the Secretary shall provide specific notification to each local educational agency eligible to receive funds under this part regarding the flexibility provided under section 2207(b)(2)(B) and the ability to use such funds to carry out activities described in section 2207(b)(1)(C).

''SEC. 2205. WITHIN-STATE ALLOCATIONS.

''(a) ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—Each State educational agency receiving a grant under this part for a fiscal year—

''(1) may reserve not more than 1 percent of the grant funds for the cost of administering this part; and

''(2) using the remaining funds, shall make subgrants by allocating to each local educational agency in the State the sum of—

''(A) an amount that bears the same relationship to 80 percent of the remainder as the school-age population from families with incomes below the poverty line in the area served by the local educational agency bears to the school-age population from families with incomes below the poverty line in the area served by all local educational agencies in the State; and

''(B) an amount that bears the same relationship to 20 percent of the remainder as the enrollment of the school-age population in public and private nonprofit elementary schools and secondary schools in the area served by the local educational agency bears to the enrollment of the school-age population in public and private nonprofit elementary schools and secondary schools in the area served by all local educational agencies in the State.

''(b) REALLOCATION.—If any local educational agency chooses not to participate in the program carried out under this part, or fails to submit an approvable application under this part, the State educational agency shall reallocate the amount such local educational agency would have received under subsection (a) to local educational agencies having applications approved under section 2206(b), in accordance with subsection (a).

''SEC. 2206. LOCAL APPLICATIONS.

''(a) IN GENERAL.—Each local educational agency desiring a subgrant under section 2205(a) shall submit an application to the appropriate State educational agency at such time, in such manner, and containing such information as the State educational agency may require, including a description of the local educational agency's program to reduce class sizes by hiring additional fully qualified teachers.

''(b) APPROVAL OF APPLICATIONS.—The State educational agency shall approve a local agency application submitted under this section if the application meets the requirements of this section and holds reasonable promise of achieving the purposes of this part.

''SEC. 2207. USES OF FUNDS.

''(a) ADMINISTRATIVE EXPENSES.—Each local educational agency receiving a subgrant under section 2205(a) may use not more than 3 percent of the subgrant funds for a fiscal year for the cost of administering this part.

''(b) LOCAL ACTIVITIES.—

''(1) IN GENERAL.—Each local educational agency receiving a subgrant under section 2205(a) may use the subgrant funds for—

''(A) recruiting (including recruiting through the use of signing bonuses, and other financial incentives), hiring, and training fully qualified regular and special education teachers (which may include hiring special education teachers to team-teach with regular teachers in classrooms that contain both students with disabilities and other students) and fully qualified teachers of special-needs students;

''(B) testing new teachers for subject matter knowledge and satisfaction of State certification or licensing requirements consistent with title II of the Higher Education Act of 1965; and

''(C) providing professional development (which may include such activities as the activities described in section 2108, opportunities for teachers to attend multiweek institutes, such as institutes offered during the summer months that provide intensive professional development in partnership with local educational agencies, and initiatives that promote retention and mentoring) to teachers, including special education teachers and teachers of special-needs students, in order to meet the goal of ensuring that all teachers have the necessary subject matter knowledge, teaching knowledge, and teaching skills to teach effectively the academic subjects that the teachers teach, consistent with title II of the Higher Education Act of 1965.

''(2) LIMITATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a local educational agency may use not more than a total of 25 percent of the subgrant funds for activities described in subparagraphs (B) and (C) of paragraph (1).

''(B) EXCEPTION.—

''(i) IN GENERAL.—A local educational agency may use a portion equal to more than 25 percent of the subgrant funds for activities described in paragraph (1)(C) if 10 percent or more of the teachers in elementary schools served by the agency—

''(I) have not met applicable State and local certification requirements (including certification through State or local alternative routes); or

''(II) are teachers for whom the requirements have been waived.

''(ii) USE OF FUNDS.—The local educational agency shall use the portion referred to in clause (i)—

''(I) to help teachers who are not certified or licensed by the State become certified or licensed, including certification through State or local alternative routes; or

''(II) to help teachers affected by class size reduction who lack sufficient subject matter knowledge to teach effectively the academic subjects that the teachers teach, to obtain that knowledge.

''(iii) NOTIFICATION.—To be eligible to use the portion of the funds described in clause (i) for objectives described in this subparagraph, the local educational agency shall notify the State educational agency of the percentage of the funds that the local educational agency will use for those objectives.

''(3) ADDITIONAL USES.—

''(A) IN GENERAL.—A local educational agency that has already reduced class size in the early elementary school grades to 18 or fewer students (or has already reduced class size to a State or local class size reduction goal that was in effect on the day before the date of enactment of the Department of Education Appropriations Act, 2000, if that State or local goal is 20 or fewer students) may use the subgrant funds—

''(i) to make further class size reductions in kindergarten or grade 1, 2, or 3;

''(ii) to reduce class size in other grades; or

''(iii) to carry out activities to improve teacher quality, including professional development.

''(B) PROFESSIONAL DEVELOPMENT.—Even if a local educational agency has already reduced class size in the early elementary school grades to 18 or fewer students and intends to use the subgrant funds to carry out activities to improve teacher quality, including professional development activities, the State educational agency shall make the subgrant under section 2205 to the local educational agency.

''(c) SPECIAL RULE.—Notwithstanding subsection (b), if the amount of the subgrant made to a local educational agency under section 2205 is less than the starting salary for a new fully qualified teacher teaching in a school served by that agency, the agency may use the subgrant funds to—

''(1) help pay the salary of a full- or part-time teacher hired to reduce class size, and may provide the funds in combination with other Federal, State, or local funds; or

''(2) pay for activities described in subsection (b), which may be related to teaching in smaller classes.

''SEC. 2208. PRIVATE SCHOOLS.

''If a local educational agency uses funds made available under this part for professional development activities, the local educational agency shall ensure the equitable participation of private nonprofit elementary schools and secondary schools in such activities. Section 8503(b)(1) shall not apply to other activities carried out under this part.

''SEC. 2209. TEACHER SALARIES AND BENEFITS.

''A local educational agency may use grant funds provided under this part—

''(1) except as provided in paragraph (2), to increase the salaries of, or provide benefits (other than participation in professional development and enrichment programs) to, teachers only if such teachers were hired under this part; and

''(2) to pay the salaries of teachers hired with funds made available under section 307 of the Department of Education Appropriations Act, 1999 or under section 310 of the Department of Education Appropriations Act, 2000, who not later than the beginning of the 2002–2003 school year, are fully qualified.

''SEC. 2210. STATE REPORT REQUIREMENTS.

''(a) REPORT ON ACTIVITIES.—A State educational agency receiving funds under this part shall submit a report to the Secretary providing information about the activities in the State assisted under this part.

''(b) REPORT TO PARENTS.—Each State educational agency or local educational agency receiving funds under this part shall publicly issue a report to parents of students who attend schools assisted under this part describing—

''(1) the agency's progress in reducing class size;

''(2) the agency's progress in increasing the percentage of classes in core academic areas that are taught by fully qualified teachers; and

''(3) the impact, if any, that hiring additional fully qualified teachers and reducing class size has had on increasing student academic achievement in schools served by the agency.

''(c) PROFESSIONAL QUALIFICATIONS REPORT.—Upon the request of a parent of a student attending a school receiving assistance under this part, such school shall provide the parent with information regarding the professional qualifications of the student's teacher.

''SEC. 2211. SUPPLEMENT NOT SUPPLANT.

''Funds made available under this part shall be used to supplement and not supplant State and local funds expended for activities described in this part.

''SEC. 2212. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $1,623,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

TITLE III—LANGUAGE MINORITY STUDENTS AND INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION

SEC. 301. LANGUAGE MINORITY STUDENTS.

Title III (20 U.S.C. 6801 et seq.) is amended—

(1) by amending the title heading for title III to read as follows:

''TITLE III—LANGUAGE MINORITY STUDENTS AND INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION'';

(2) by repealing section 3101 (20 U.S.C. 6801) and part A (20 U.S.C. 6811 et seq.); and

(3) by inserting after the title heading for title III (as amended by paragraph (1)) the following:

''PART A—LANGUAGE MINORITY STUDENTS

''SEC. 3101. FINDINGS, POLICY, AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1)(A) Educating limited English proficient students is an urgent goal for many local educational agencies, but that goal is not being achieved.

''(B) Each year, 640,000 limited English proficient students are not served by any sort of program targeted to the students' unique needs.

''(C) In 1998, only 15 percent of local educational agencies that applied for related funding through enhancement grants and comprehensive school grants received such funding.

''(2)(A) The school dropout rate for Hispanic students, the largest group of limited English proficient students, is approximately 29 percent, and is approximately 44 percent for Hispanics born outside of the United States.

''(B) A Department of Education report regarding school dropout rates states that language difficulty 'may be a barrier to participation in United States schools'.

''(C) Reading ability is a key predictor of graduation and academic success.

''(3) Through fiscal year 2001, bilingual education capacity and demonstration grants—

''(A) have spread funding too broadly to make an impact on language instruction educational programs implemented by State educational agencies and local educational agencies; and

''(B) have lacked concrete performance measures.

''(4)(A) Since 1979, the number of limited English proficient children in schools in the United States has doubled to more than 3,000,000, and demographic trends indicate the population of limited English proficient children will continue to increase.

''(B) Language-minority students in the United States speak virtually all world languages plus many that are indigenous to the United States.

''(C) The rich linguistic diversity language-minority students bring to classrooms in the United States enhances the learning environment for all students and should be valued for the significant, positive impact such diversity has on the entire school environment.

''(D) Parent and community participation in educational language programs for limited English proficient students contributes to program effectiveness.

''(E) The Federal Government has a special and continuing obligation, as reflected in title VI of the Civil Rights Act of 1964 and section 204(f) of the Equal Educational Opportunities Act of 1974, to ensure that States and local educational agencies take appropriate action to provide equal educational opportunities to limited English proficient children and youth, and other children and youth.

''(F) The Federal Government also has a special and continuing obligation to assist States and local educational agencies, as exemplified by programs authorized under this title, to develop the capacity to provide programs of instruction that offer equal educational opportunities to limited English proficient children and youth, and other children and youth.

''(5) Limited English proficient children and youth face a number of challenges in receiving an education that will enable the children and youth to participate fully in society, including—

''(A) disproportionate attendance at high-poverty schools, as demonstrated by the fact that, in 1994, 75 percent of limited English proficient students attended schools in which at least half of all students were eligible for free or reduced-price meals;

''(B) the limited ability of parents of such children and youth to participate fully in the education of their children because of the parents' own limited English proficiency;

''(C) a shortage of teachers and other staff who are professionally trained and qualified to serve such children and youth; and

''(D) lack of appropriate performance and assessment standards that distinguish between language ability and academic achievement so that State educational agencies and local educational agencies are equally as accountable for the achievement of limited English proficient students in academic content while the students are acquiring English language skills as the agencies are for enabling the students to acquire those skills.

''(b) POLICY.—It is the policy of the United States that in order to ensure equal educational opportunity for all children and youth, and to promote educational excellence, the Federal Government should—

''(1) assist State educational agencies, local educational agencies, and community-based organizations to build their capacity to establish, implement, and sustain programs of instruction and English language development for children and youth of limited English proficiency;

''(2) hold State educational agencies and local educational agencies accountable for increases in English proficiency and core content knowledge among limited English proficient students; and

''(3) promote parental and community participation in limited English proficiency programs.

''(c) PURPOSES.—The purposes of this part are—

''(1) to assist all limited English proficient students to attain English proficiency;

''(2) to assist all limited English proficient students to develop high levels of attainment in the core academic subjects so that those students can meet the same challenging State content standards and challenging State student performance standards as all students are expected to meet, as required by section 1111(b)(1);

''(3) to assist local educational agencies to develop and enhance their capacity to provide high quality instruction in teaching limited English proficient students to attain the same high levels of academic achievement as other students; and

''(4) to provide the assistance described in paragraphs (1), (2), and (3) by—

''(A) streamlining language instruction educational programs into a program carried out through a performance-based grant for State and local educational agencies to help limited English proficient students become proficient in English;

''(B) increasing significantly the amount of Federal assistance provided to local educational agencies serving such students while requiring that State educational agencies and local educational agencies—

''(i) demonstrate improvements in the English proficiency of such students each fiscal year; and

''(ii) make adequate yearly progress with limited English proficient students in the core academic subjects as described in section 1111(b)(2); and

''(C) providing State educational agencies and local educational agencies with the flexibility to implement instructional programs, tied to scientifically based research, that the agencies believe to be the most effective for teaching English.

''SEC. 3102. DEFINITIONS.

''Except as otherwise provided, in this part:

''(1) CORE ACADEMIC SUBJECT.—The term 'core academic subject' has the meaning given the term in section 2002.

''(2) LIMITED ENGLISH PROFICIENT STUDENT.—The term 'limited English proficient student' means an individual aged 5 through 17 enrolled in an elementary school or secondary school—

''(A) who—

''(i) was not born in the United States or whose native language is a language other than English;

''(ii)(I) is a Native American or Alaska Native, or a native resident of the outlying areas; and

''(II) comes from an environment where a language other than English has had a significant impact on such individual's level of English language proficiency; or

''(iii) is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

''(B) who has sufficient difficulty speaking, reading, writing, or understanding the English language, and whose difficulties may deny such individual—

''(i) the ability to meet the State's proficient level of performance on State assessments described in section 1111(b)(4) in core academic subjects; or

''(ii) the opportunity to participate fully in society.

''(3) LANGUAGE INSTRUCTION EDUCATIONAL PROGRAM.—The term 'language instruction educational program' means an instructional course in which a limited English proficient student is placed for the purpose of becoming proficient in the English language.

''(4) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given the term in section 1705.

''(5) SPECIALLY QUALIFIED AGENCY.—The term 'specially qualified agency' means a local educational agency, in a State that does not participate in a program under this part for a fiscal year.

''(6) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

''SEC. 3103. PROGRAM AUTHORIZED.

''(a) GRANTS AUTHORIZED.—The Secretary shall award grants, from allotments under subsection (b), to each State having a State plan approved under section 3105(c), to enable the State to help limited English proficient students become proficient in English.

''(b) RESERVATIONS AND ALLOTMENTS.—

''(1) RESERVATIONS.—From the amount appropriated under section 3111 to carry out this part for each fiscal year, the Secretary shall reserve—

''(A) ½ of 1 percent of such amount for payments to the Secretary of the Interior for activities approved by the Secretary of Education, consistent with this part, in schools operated or supported by the Bureau of Indian Affairs, on the basis of their respective needs; and

''(B) ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this part as determined by the Secretary, for activities, approved by the Secretary, consistent with this part.

''(2) STATE ALLOTMENTS.—From the amount appropriated under section 3111 for any of the fiscal years 2002 through 2006 that remains after making reservations under paragraph (1), the Secretary shall allot to each State having a State plan approved under section 3105(c) an amount that bears the same relationship to the remainder as the number of limited English proficient students in the State bears to the number of limited English proficient students in all States.

''(3) DATA.—For the purpose of determining the number of limited English proficient students in a State and in all States for each fiscal year, the Secretary shall use data that will yield the most accurate, up-to-date numbers of such students, including—

''(A) data available from the Bureau of the Census; or

''(B) data submitted to the Secretary by the States to determine the number of limited English proficient students in a State and in all States.

''(4) HOLD-HARMLESS AMOUNTS.—For fiscal year 2002, and for each of the 4 succeeding fiscal years, notwithstanding paragraph (2), the total amount allotted to each State under this subsection shall be not less than 85 percent of the total amount the State was allotted under parts A and B of title VII (as such title was in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) for fiscal year 2001.

''(c) DIRECT AWARDS TO SPECIALLY QUALIFIED AGENCIES.—

''(1) NONPARTICIPATING STATE.—If a State educational agency for a fiscal year chooses not to participate in a program under this part, or fails to submit an approvable application under section 3105, a specially qualified agency in such State desiring a grant under this part for the fiscal year shall apply directly to the Secretary to receive a grant under this subsection.

''(2) DIRECT AWARDS.—The Secretary may award, on a competitive basis, the amount the State educational agency is eligible to receive under subsection (b)(2) directly to specially qualified agencies in the State desiring a grant under this part and having an application approved under section 3105(c).

''(3) ADMINISTRATIVE FUNDS.—A specially qualified agency that receives a direct grant under this subsection may use not more than 1 percent of the grant funds for the administrative costs of carrying out this part in the first year the agency receives a grant under this subsection and 0.5 percent of the funds for such costs in the second and each succeeding fiscal year for which the agency receives such a grant.

''SEC. 3104. WITHIN-STATE ALLOCATIONS.

''(a) GRANT AWARDS.—Each State educational agency receiving a grant under this part shall use 95 percent of the grant funds to award subgrants, from allocations under subsection (b), to local educational agencies in the State to carry out the activities described in section 3107.

''(b) ALLOCATION FORMULA.—Each State educational agency receiving a grant under this part shall award grants for a fiscal year by allocating to each local educational agency in the State having a plan approved under section 3106 in an amount that bears the same relationship to the amount of funds appropriated under section 3111 for the fiscal year as the population of limited English proficient students in schools served by the local educational agency bears to the population of limited English proficient students in schools served by all local educational agencies in the State.

''(c) RESERVATIONS.—

''(1) STATE ACTIVITIES.—Each State educational agency or specially qualified agency receiving a grant under this part may reserve not more than 5 percent of the grant funds to carry out activities described in the State plan or specially qualified agency plan submitted under section 3105.

''(2) ADMINISTRATIVE EXPENSES.—From the amount reserved under paragraph (1), a State educational agency or specially qualified agency may use not more than 2 percent for the planning costs and administrative costs of carrying out the activities described in the State plan or specially qualified agency plan and providing grants to local educational agencies.

''SEC. 3105. STATE AND SPECIALLY QUALIFIED AGENCY PLANS.

''(a) PLAN REQUIRED.—Each State educational agency and specially qualified agency desiring a grant under this part shall submit a plan to the Secretary at such time, in

such manner, and containing such information as the Secretary may require.

''(b) CONTENTS.—Each State plan submitted under subsection (a) shall—

''(1) describe how the State or specially qualified agency will—

''(A)(i) establish standards and benchmarks for English language development that are aligned with the State content and student performance standards described in section 1111(b)(1);

''(ii) establish the standards and benchmarks for each of the 4 recognized domains of speaking, listening, reading, and writing; and

''(iii) for each domain, establish at least 3 benchmarks, including benchmarks for performance that is not proficient, partially proficient performance, and proficient performance;

''(B) develop high-quality, annual assessments to measure English language proficiency, including proficiency in the 4 recognized domains of speaking, listening, reading, and writing; and

''(C) develop annual performance objectives, based on the English language development standards described in subparagraph (A), to raise the level of English proficiency of each limited English proficient student;

''(2) contain an assurance that the State educational agency or specially qualified agency consulted with local educational agencies, education-related community groups and nonprofit organizations, parents, teachers, school administrators, and English language instruction specialists, in setting the performance objectives;

''(3) describe how—

''(A) in the case of a State educational agency, the State educational agency will hold local educational agencies and elementary schools and secondary schools accountable for—

''(i) meeting the performance objectives described in section 3109 for English proficiency in each of the 4 domains of speaking, listening, reading, and writing; and

''(ii) making adequate yearly progress with limited English proficient students in the core academic subjects as described in section 1111(b)(2); and

''(B) in the case of a specially qualified agency, the agency will hold elementary schools and secondary schools accountable for—

''(i) meeting the performance objectives described in section 3109 for English proficiency in each of the 4 domains of speaking, listening, reading, and writing; and

''(ii) making adequate yearly progress, including meeting annual numerical goals for improving the performance of limited English proficient students on performance standards described in section 1111(b)(1)(D)(ii);

''(4) describe the activities for which assistance is sought, and how the activities will increase the speed and effectiveness with which students learn English;

''(5) in the case of a State educational agency, describe how local educational agencies in the State will be given the flexibility to teach English—

''(A) using a language instruction curriculum that is tied to scientifically based research and has been demonstrated to be effective; and

''(B) in the manner the local educational agencies determine to be the most effective; and

''(6) describe how—

''(A) in the case of a State educational agency, the State educational agency will—

''(i) provide technical assistance to local educational agencies and elementary schools and secondary schools for the purposes of identifying and implementing English language instruction educational programs and curricula that are tied to scientifically based research; and

''(ii) provide technical assistance to local educational agencies and elementary schools and secondary schools for the purposes of helping limited English proficient students meet the same challenging State content standards and challenging State student performance standards as all students are expected to meet; and

''(B) in the case of a specially qualified agency, the specially qualified agency will—

''(i) provide technical assistance to elementary schools and secondary schools served by the specially qualified agency for the purposes of identifying and implementing programs and curricula described in subparagraph (A)(i); and

''(ii) provide technical assistance in elementary schools and secondary schools served by the specially qualified agency for the purposes described in subparagraph (A)(ii).

''(c) APPROVAL.—The Secretary, after using a peer review process, shall approve a State plan or a specially qualified agency plan if the plan meets the requirements of this section, and holds reasonable promise of achieving the purposes described in section 3101(c).

''(d) DURATION OF THE PLAN.—

''(1) IN GENERAL.—Each State plan or specially qualified agency plan shall—

''(A) remain in effect for the duration of the State educational agency's or specially qualified agency's participation under this part; and

''(B) be periodically reviewed and revised by the State educational agency or specially qualified agency, as necessary, to reflect changes to the State's or specially qualified agency's strategies and programs carried out under this part.

''(2) ADDITIONAL INFORMATION.—If the State educational agency or specially qualified agency makes significant changes to the plan, such as the adoption of new performance objectives or assessment measures, the State educational agency or specially qualified agency shall submit information regarding the significant changes to the Secretary.

''(e) CONSOLIDATED PLAN.—A State plan submitted under subsection (a) may be submitted as part of a consolidated plan under section 8302.

''(f) SECRETARY ASSISTANCE.—Pursuant to section 7104(a)(3), the Secretary shall provide assistance, if required, in the development of English language development standards and English language proficiency assessments.

''SEC. 3106. LOCAL PLANS.

''(a) PLAN REQUIRED.—Each local educational agency desiring a grant from the State educational agency under section 3104 shall submit a plan to the State educational agency at such time, in such manner, and containing such information as the State educational agency may require.

''(b) CONTENTS.—Each local educational agency plan submitted under subsection (a) shall—

''(1) describe how the local educational agency will use the grant funds to meet the English proficiency performance objectives described in section 3109;

''(2) describe how the local educational agency will hold elementary schools and secondary schools accountable for meeting the performance objectives;

''(3) contain an assurance that the local educational agency consulted with elementary schools and secondary schools, education-related community groups and nonprofit organizations, institutions of higher education, parents, language instruction teachers, school administrators, and English language instruction specialists, in developing the local educational agency plan;

''(4) describe how the local educational agency will use the disaggregated results of the student assessments required under section 1111(b)(4), and other measures or indicators available to the agency, to review annually the progress of each school served by the agency under this part and under title I to determine whether the schools are making the adequate yearly progress necessary to ensure that limited English proficient students attending the schools will meet the State's proficient level of performance on the State assessment described in section 1111(b)(4) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act; and

''(5) describe how the local educational agency will hold elementary schools and secondary schools accountable for making adequate yearly progress with limited English proficient students in the core academic subjects as described in section 1111(b)(2).

''SEC. 3107. USES OF FUNDS.

''(a) ADMINISTRATIVE EXPENSES.—Each local educational agency receiving a grant under section 3104 may use not more than 1 percent of the grant funds for a fiscal year for the cost of administering this part.

''(b) ACTIVITIES.—Each local educational agency receiving grant funds under section 3104 shall use the grant funds that are not used under subsection (a)—

''(1) to increase limited English proficient students' proficiency in English by providing high-quality language instruction educational programs, such as bilingual education programs and transitional education or English immersion education programs, that are—

''(A) tied to scientifically based research demonstrating the effectiveness of the programs in increasing English proficiency; and

''(B) approved by the State educational agency;

''(2) to provide high-quality professional development activities for teachers of limited English proficient students that are—

''(A) designed to enhance the ability of such teachers to understand and use curricula, assessment measures, and instructional strategies for limited English proficient students;

''(B) tied to scientifically based research demonstrating the effectiveness of such activities in increasing students' English proficiency or substantially increasing the subject matter knowledge, teaching knowledge, and teaching skills of such teachers;

''(C) of sufficient intensity and duration (not to include activities such as 1-day or short-term workshops and conferences) to have a positive and lasting impact on the teachers' performance in the classroom, except that this subparagraph shall not apply to an activity that is 1 component described in a long-term, comprehensive professional development plan established by a teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the supervisor, the students of the teacher, and the local educational agency;

''(3) to identify, acquire, and upgrade curricula, instructional materials, educational software, and assessment procedures; and

''(4) to provide parent and community participation programs to improve language instruction educational programs for limited English proficient students.

''SEC. 3108. PROGRAM REQUIREMENTS.

''(a) PROHIBITION.—In carrying out this part, the Secretary shall neither mandate nor preclude the use of a particular curricular or pedagogical approach to educating limited English proficient students.

''(b) TEACHER ENGLISH FLUENCY.—Each local educational agency receiving grant

funds under section 3104 shall certify to the State educational agency that all teachers in any language instruction educational program for limited English proficient students funded under this part are fluent in English.

"SEC. 3109. PERFORMANCE OBJECTIVES.

''(a) IN GENERAL.—Each State educational agency or specially qualified agency receiving a grant under this part shall develop annual numerical performance objectives with respect to helping limited English proficient students become proficient in English, including proficiency in the 4 recognized domains of speaking, listening, reading, and writing. For each annual numerical performance objective established, the agency shall specify an incremental percentage increase for the objective to be attained for each of the fiscal years (after the first fiscal year) for which the agency receives a grant under this part, relative to the preceding fiscal year, including increases in the number of limited English proficient students demonstrating an increase in performance on annual assessments in speaking, listening, reading, and writing.

''(b) ACCOUNTABILITY.—Each State educational agency or specially qualified agency receiving a grant under this part shall be held accountable for meeting the annual numerical performance objectives under this part and the adequate yearly progress levels for limited English proficient students under clauses (iv) and (vii) of section 1111(b)(2)(B). Any State educational agency or specially qualified agency that fails to meet the annual performance objectives shall be subject to sanctions under section 7101.

"SEC. 3110. REGULATIONS AND NOTIFICATION.

''(a) REGULATION RULE.—In developing regulations under this part, the Secretary shall consult with State educational agencies, local educational agencies, organizations representing limited English proficient individuals, and organizations representing teachers and other personnel involved in the education of limited English proficient students.

''(b) PARENTAL NOTIFICATION.—

''(1) IN GENERAL.—Each local educational agency shall notify parents of a student participating in a language instruction educational program under this part of—

''(A) the student's level of English proficiency, how such level was assessed, the status of the student's academic achievement, and the implications of the student's educational strengths and needs for age- and grade-appropriate academic attainment, promotion, and graduation;

''(B)(i) the programs that are available to meet the student's educational strengths and needs, and how such programs differ in content and instructional goals from other language instruction educational programs; and

''(ii) in the case of a student with a disability who participates in the language instruction educational program, how the program meets the objectives of the individualized education program of the student; and

''(C)(i) the instructional goals of the language instruction educational program in which the student participates, and how the program will specifically help the limited English proficient student learn English and meet age-appropriate standards for grade promotion and graduation;

''(ii) the characteristics, benefits, and past academic results of the language instruction educational program and of instructional alternatives; and

''(iii) the reasons the student was identified as being in need of a language instruction educational program.

''(2) OPTION TO DECLINE.—

''(A) IN GENERAL.—Each parent described in paragraph (1) shall also be informed that the parent has the option of declining the enrollment of the student in a language instruction educational program, and shall be given an opportunity to decline such enrollment if the parent so chooses.

''(B) OBLIGATIONS.—A local educational agency shall not be relieved of any of the agency's obligations under title VI of the Civil Rights Act of 1964 if a parent chooses not to enroll a student in a language instruction educational program.

''(3) RECEIPT OF INFORMATION.—A parent described in paragraph (1) shall receive the information required by this subsection in a manner and form understandable to the parent including, if necessary and to the extent feasible, receiving the information in the native language of the parent. At a minimum, the parent shall receive—

''(A) timely information about programs funded under this part; and

''(B) if the parent desires, notice of opportunities for regular meetings for the purpose of formulating and responding to recommendations from parents of students assisted under this part.

''(4) SPECIAL RULE.—A student shall not be admitted to, or excluded from, any federally assisted language instruction educational program solely on the basis of a surname or language-minority status.

''(5) LIMITATIONS ON CONDITIONS.—Nothing in this part shall be construed to authorize an officer or employee of the Federal Government to mandate, direct, or control a State's, local educational agency's, elementary school's, or secondary school's specific challenging English language development standards or assessments, curricula, or program of instruction, as a condition of eligibility to receive grant funds under this part.

"SEC. 3111. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $1,000,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SEC. 302. EMERGENCY IMMIGRANT EDUCATION PROGRAM.

(a) REPEALS, TRANSFERS, AND REDESIGNATIONS.—Title III (20 U.S.C. 6801 et seq.) is further amended—

(1) by repealing part B (20 U.S.C. 6891 et seq.), part C (20 U.S.C. 6921 et seq.), part D (20 U.S.C. 6951 et seq.), part E (20 U.S.C. 6971 et seq.), and part F, as added by section 1711 of division B of the Miscellaneous Appropriations Act, 2001 (as enacted into law by section 1(a)(4) of Public Law 106–554);

(2) by transferring part C of title VII (20 U.S.C. 7541 et seq.) to title III and inserting such part after part A (as inserted by section 301(3));

(3) by redesignating part C of title VII (as transferred by paragraph (2)) as part B, and redesignating the references to such part C as the references to such part B; and

(4) by redesignating sections 7301 through 7309 (20 U.S.C. 7541, 7549) (as transferred by paragraph (2)) as sections 3201 through 3209, respectively, and redesignating accordingly the references to such sections 7301 through 7309.

(b) AMENDMENTS.—Part B of title III (as so transferred and redesignated) is amended—

(1) in section 3205(a)(2) (as redesignated by subsection (a)(4)), by striking ''the Goals 2000: Educate America Act,''; and

(2) in section 3209 (as redesignated by subsection (a)(4)), by striking ''$100,000,000'' and all that follows through ''necessary for'' and inserting ''such sums as may be necessary for fiscal year 2002 and''.

SEC. 303. INDIAN, NATIVE HAWAIIAN, AND ALASKA NATIVE EDUCATION.

(a) REPEALS, TRANSFERS, AND REDESIGNATIONS.—Title III (20 U.S.C 6801 et seq.) is further amended—

(1) by transferring title IX (20 U.S.C. 7801 et seq.) to title III and inserting such title after part B (as redesignated by section 302(a)(3));

(2) by redesignating subparts 1 through 6 of part A of title IX (as transferred by paragraph (1)) as chapters I through VI, respectively, and redesignating accordingly the references to such subparts as the references to such chapters;

(3) by redesignating parts A through C of title IX (as transferred by paragraph (1)) as subparts 1 through 3, respectively, and redesignating accordingly the references to such parts as the references to such subparts;

(4) by redesignating title IX (as transferred by paragraph (1)) as part C, and redesignating accordingly the references to such title as the references to such part;

(5) by redesignating sections 9101 and 9102 (20 U.S.C. 7801, 7802) (as transferred by paragraph (1)) as sections 3301 and 3302, respectively, and redesignating accordingly the references to such sections 9101 and 9102;

(6) by redesignating sections 9111 through 9118 (20 U.S.C. 7811, 7818) (as transferred by paragraph (1)) as sections 3311 through 3318, respectively, and redesignating accordingly the references to such sections 9111 through 9118;

(7) by redesignating sections 9121 through 9125 (20 U.S.C. 7831, 7835) (as transferred by paragraph (1)) as sections 3321 through 3325, and redesignating accordingly the references to such sections 9121 through 9125;

(8) by redesignating sections 9131 and 9141 (20 U.S.C. 7851, 7861) (as transferred by paragraph (1)) as sections 3331 and 3341, respectively, and redesignating accordingly the references to such sections 9131 and 9141;

(9) by redesignating sections 9151 through 9154 (20 U.S.C. 7871, 7874) (as transferred by paragraph (1)) as sections 3351 through 3354, respectively, and redesignating accordingly the references to such sections 9151 through 9154;

(10) by redesignating sections 9161 and 9162 (20 U.S.C. 7881, 7882) (as transferred by paragraph (1)) as sections 3361 and 3362, respectively, and redesignating accordingly the references to such sections 9161 and 9162;

(11) by redesignating sections 9201 through 9212 (20 U.S.C. 7901, 7912) (as transferred by paragraph (1)) as sections 3401 through 3412, respectively, and redesignating accordingly the references to such sections 9201 through 9212; and

(12) by redesignating sections 9301 through 9308 (20 U.S.C. 7931, 7938) (as transferred by paragraph (1)) as sections 3501 through 3508, and redesignating accordingly the references to such sections 9301 through 9308.

(b) AMENDMENTS.—Part C of title III (as so transferred and redesignated) is amended—

(1) by amending section 3314(b)(2)(A) (as redesignated by subsection (a)(6)) to read as follows:

''(2)(A) is consistent with, and promotes the goals in, the State and local plans under sections 1111 and 1112;'';

(2) by amending section 3325(e) (as redesignated by subsection (a)(7)) to read as follows:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this chapter for fiscal year 2002 and each of the 4 succeeding years.'';

(3) in section 3361(4)(E) (as redesignated by subsection (a)(10)), by striking ''the Act entitled the 'Improving America's Schools Act of 1994'' and inserting ''the Public Education Reinvestment, Reinvention, and Responsibility Act'';

(4) by amending section 3362 (as redesignated by subsection (a)(10)) to read as follows:

"SEC. 3362. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out chapters I through V of this subpart, there are authorized to be appropriated to the Department of Education such sums as may be necessary for fiscal year 2002 and each of the 4 succeeding years.'';

(5) in section 3404 (as redesignated by subsection (a)(11))—

(A) in subsection (i), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act''; and

(B) in subsection (j), by striking ''$500,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(6) in section 3405(c) (as redesignated by subsection (a)(11)), by striking ''$6,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(7) in section 3406(e) (as redesignated by subsection (a)(11)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(8) in section 3407(e) (as redesignated by subsection (a)(11)), by striking ''$1,500,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(9) in section 3408(c) (as redesignated by subsection (a)(11)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(10) in section 3409(d) (as redesignated by subsection (a)(11)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(11) in section 3410(d) (as redesignated by subsection (a)(11)), by striking ''$1,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(12) in section 3504(c) (as redesignated by subsection (a)(12)), by striking ''$5,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and'';

(13) in section 3505(e) (as redesignated by subsection (a)(12)), by striking ''$2,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and''; and

(14) in section 3506(d) (as redesignated by subsection (a)(12)), by striking ''$1,000,000 for fiscal year 1995, and such sums as may be necessary'' and inserting ''such sums as may be necessary for fiscal year 2002, and''.

TITLE IV—PUBLIC SCHOOL CHOICE

SEC. 401. PUBLIC SCHOOL CHOICE.

(a) MAGNET SCHOOLS AMENDMENTS.—Section 5113(a) (20 U.S.C. 7213(a)) is amended—

(1) by striking ''$120,000,000'' and inserting ''$130,000,000''; and

(2) by striking ''1995'' and inserting ''2002''.

(b) CHARTER SCHOOL AMENDMENTS.—Section 10311 (20 U.S.C. 8067) is amended—

(1) by striking ''$100,000,000'' and inserting ''$200,000,000''; and

(2) by striking ''1999'' and inserting ''2002''.

(c) REPEALS, TRANSFERS, AND REDESIGNATIONS.—The Act (20 U.S.C. 6301 et seq.) is amended—

(1) by amending the heading for title IV (20 U.S.C. 7101 et seq.) to read as follows:

"TITLE IV—PUBLIC SCHOOL CHOICE";

(2) by amending section 4001 to read as follows:

"SEC. 4001. FINDINGS, POLICY, AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1)(A) Charter schools and magnet schools are an integral part of the educational system in the United States.

''(B) Thirty-four States and the District of Columbia have established charter schools.

''(C) Magnet schools have been established throughout the United States.

''(D) A Department of Education evaluation of charter schools shows that 59 percent of charter schools reported that lack of start-up funds posed a difficult or very difficult challenge for the school.

''(2) State educational agencies and local educational agencies should hold all schools accountable for the improved performance of all students, including students attending charter schools and magnet schools, using State standards and student assessment measures.

''(3) Transportation is an important and critical component of school choice. Local educational agencies have a responsibility to provide transportation costs to ensure that all children receive equal access to high quality schools.

''(4) School report cards constitute the key informational component used by parents for effective public school choice.

''(b) POLICY.—It is the policy of the United States—

''(1) to support and stimulate improved public school performance through increased public elementary school and secondary school competition and increased Federal financial assistance; and

''(2) to provide parents with more choices among public school options.

''(c) PURPOSES.—The purposes of this title are as follows:

''(1) To consolidate Federal law regarding public school choice programs into 1 title.

''(2) To increase Federal assistance for magnet schools and charter schools.

''(3) To give parents more options and help parents make better and more informed choices by—

''(A) providing continued support for and financial assistance for magnet schools;

''(B) providing continued support for and expansion of charter schools and charter school districts; and

''(C) providing financial assistance to States and local educational agencies for the development of local educational agency and school report cards.'';

(3) by repealing sections 4002 through 4004 (20 U.S.C. 7102, 7104), and part A (20 U.S.C. 7111 et seq.), of title IV;

(4) by transferring part A of title V (20 U.S.C. 7201 et seq.) to title IV, inserting such part A after section 4001, and redesignating the references to part A of title V as the references to part A of title IV;

(5) by redesignating sections 5101 through 5113 (20 U.S.C. 7201, 7213) (as transferred by paragraph (4)) as sections 4101 through 4113, respectively, and by redesignating accordingly the references to such sections 5105 through 5113;

(6) by transferring part C of title X (20 U.S.C. 8061 et seq.) to title IV and inserting such part C after part A of title IV (as transferred by paragraph (4));

(7) by redesignating part C of title IV (as transferred by paragraph (6)) as part B of title IV, and redesignating accordingly the references to such part C;

(8) by redesignating sections 10301 through 10311 (20 U.S.C. 8061, 8067) (as transferred by paragraph (6)) as sections 4201 through 4211, respectively, and by redesignating accordingly the references to such sections 10301 through 10311; and

(9) by redesignating sections 10321 through 10331 (as added by section 322 of the Department of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106–554) and transferred by paragraph (6)) as sections 4221 through 4231, respectively, and by redesignating accordingly the references to such sections 10321 through 10331.

SEC. 402. DEVELOPMENT OF PUBLIC SCHOOL CHOICE PROGRAMS; REPORT CARDS.

Title IV (20 U.S.C. 7101 et seq.) is further amended by adding at the end the following:

"PART C—DEVELOPMENT OF PUBLIC SCHOOL CHOICE PROGRAMS

"SEC. 4301. DEFINITIONS.

''In this part:

''(1) HIGH-POVERTY LOCAL EDUCATIONAL AGENCY.—The term 'high-poverty local educational agency' means a local educational agency serving a school district in which the percentage of children, ages 5 to 17, from families with incomes below the poverty line is 20 percent or more.

''(2) POVERTY LINE.— The term 'poverty line' means 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 Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, for the most recent year for which satisfactory data are available.

"SEC. 4302. GRANTS AUTHORIZED.

''(a) IN GENERAL.—From amounts made available to carry out this part for a fiscal year under section 4306, and not reserved under section 4305, the Secretary is authorized to award grants, on a competitive basis, to State educational agencies and local educational agencies to enable the local educational agencies to develop local public school choice programs.

''(b) DURATION.—Grants awarded under this part may be awarded for periods of not more than 3 years.

"SEC. 4303. USES OF FUNDS.

''(a) IN GENERAL.—

''(1) PUBLIC SCHOOL CHOICE.—Funds made available under this part may be used to develop, implement, evaluate, demonstrate, and disseminate information on, innovative approaches to promote public school choice, including the design and development of new public school choice options, the development of new strategies for overcoming barriers to effective public school choice, and the design and development of public school choice systems that promote high standards for all students and the continuous improvement of all public schools.

''(2) INNOVATIVE APPROACHES.—Such approaches, which may be carried out at the school, local educational agency, and State levels, may include—

''(A) universal public school choice programs that serve to make every school in a school district, group of school districts, or a State, a school of choice;

''(B) interdistrict and intradistrict approaches to public school choice, including approaches that increase equal access to high quality educational programs and diversity in schools;

''(C) public elementary school and secondary school programs that—

''(i) involve partnerships that include institutions of higher education; and

''(ii) are located on the campuses of the institutions;

''(D) programs that allow students in public secondary schools to enroll in postsecondary courses and to receive both secondary and postsecondary academic credit;

''(E) approaches in which State educational agencies or local educational agencies form partnerships with public or private employers, to create public schools at parents' places of employment, referred to as worksite satellite schools; and

''(F) approaches to school desegregation that provide students and parents choice

through strategies other than magnet schools.

''(b) TRANSPORTATION.—Funds made available under this part may be used for providing transportation services or paying for the cost of transportation for students, except that not more than 10 percent of the funds received under this part shall be used by a State educational agency or local educational agency to provide such services or pay for such cost.

''(c) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this part shall be used to supplement and not supplant State and local public funds expended for public school choice programs.

''SEC. 4304. GRANT APPLICATION; PRIORITIES.

''(a) APPLICATION REQUIRED.—A State educational agency or local educational agency desiring to receive a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(b) APPLICATION CONTENTS.—The application shall include—

''(1) a description of the program for which the agency seeks the grant the goals for such program;

''(2) a description of how the program will be coordinated with, and will complement and enhance, other related Federal and non-Federal programs;

''(3) if the program involves partners, the name of each partner and a description of the partner's responsibilities;

''(4) a description of the policies and procedures the applicant will use to ensure—

''(A) accountability for results, including goals and performance indicators; and

''(B) that the program is open and accessible to, and will promote high academic standards for, all students;

''(5) information demonstrating that the applicant will provide transportation services or the cost of transportation to ensure that all students receive equal access to high quality schools; and

''(6) such other information as the Secretary may require.

''(c) PRIORITIES.—

''(1) LOW-PERFORMING SCHOOLS.—In making grants under this part, the Secretary shall give priority to an agency submitting an application for a program for a local educational agency serving schools designated as low-performing.

''(2) HIGH-POVERTY AGENCIES.—In making grants under this part, the Secretary shall give priority to an agency submitting an application for a program for a high-poverty local educational agency.

''(3) PARTNERSHIPS.—In making grants under this part, the Secretary may give priority to an agency submitting an application demonstrating that the applicant will carry out the applicant's program in partnership with 1 or more public or private agencies, organizations, or institutions, such as institutions of higher education and public or private employers.

''SEC. 4305. EVALUATION, TECHNICAL ASSISTANCE, AND DISSEMINATION.

''(a) RESERVATION FOR EVALUATION, TECHNICAL ASSISTANCE, AND DISSEMINATION.—From the amount appropriated under section 4306 for any fiscal year, the Secretary may reserve not more than 5 percent to carry out evaluations under subsection (b), to provide technical assistance, and to disseminate information.

''(b) EVALUATIONS.—The Secretary may use funds reserved under subsection (a) to carry out 1 or more evaluations of programs assisted under this part, which shall, at a minimum, address—

''(1) how, and the extent to which, the programs supported with funds under this part promote educational equity and excellence; and

''(2) the extent to which public schools of choice supported with funds under this part are—

''(A) held accountable to the public;

''(B) effective in improving public education; and

''(C) open and accessible to all students.

''SEC. 4306. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''PART D—REPORT CARDS

''SEC. 4401. REPORT CARDS.

''(a) GRANTS AUTHORIZED.—The Secretary shall award grants, from allotments made under subsection (b), to States, local educational agencies, and public schools receiving assistance under this Act to enable the States, agencies, and schools to publish annually reports and report cards concerning the agencies and schools.

''(b) RESERVATIONS AND ALLOTMENTS.—

''(1) RESERVATIONS.—From the amount appropriated under subsection (k) to carry out this part for each fiscal year, the Secretary shall reserve—

''(A) ½ of 1 percent of such amount for payments to the Secretary of the Interior for activities approved by the Secretary of Education, consistent with this part, in schools operated or supported by the Bureau of Indian Affairs, on the basis of their respective needs for assistance under this part; and

''(B) ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this part, as determined by the Secretary, for activities approved by the Secretary, consistent with this part.

''(2) STATE ALLOTMENTS.—From the amount appropriated under subsection (k) for a fiscal year and remaining after the Secretary makes reservations under paragraph (1), the Secretary shall allot to each State receiving assistance under this Act an amount that bears the same relationship to the remainder as the number of public school students enrolled in elementary schools and secondary schools in the State bears to the number of such students so enrolled in all States.

''(c) STATE RESERVATION OF FUNDS.—Each State educational agency receiving a grant under subsection (a) may reserve—

''(1) not more than 10 percent of the grant funds to carry out activities described in subsections (e) and (g)(2) for fiscal year 2002; and

''(2) not more than 5 percent of the grant funds to carry out activities described under subsections (e) and (g)(2) for fiscal year 2003 and each of the 3 succeeding fiscal years.

''(d) WITHIN-STATE ALLOCATIONS.—Each State educational agency receiving a grant under subsection (a) shall allocate the grant funds that remain after making the reservation described in subsection (c) to each local educational agency in the State in an amount that bears the same relationship to the remainder as the number of public school students enrolled in elementary schools and secondary schools served by the local educational agency bears to the number of such students served by local educational agencies within the State.

''(e) ANNUAL STATE REPORT.—

''(1) REPORTS REQUIRED.—

''(A) IN GENERAL.—Not later than the beginning of the 2002–2003 school year, a State that receives assistance under this Act shall prepare and disseminate an annual report with respect to all public elementary schools and secondary schools within the State that receive funds under this Act.

''(B) STATE REPORT CARDS ON EDUCATION.—In the case of a State that publishes State report cards on education, the State shall meet the requirements of subparagraph (A) by including in such report cards the information described in paragraphs (3) through (5) for all public schools and local educational agencies in the State that receive funds under this Act.

''(C) REPORT CARDS ON ALL PUBLIC SCHOOLS.—In the case of a State that publishes report cards on all public elementary schools and secondary schools in the State, the State shall meet the requirements of subparagraph (A) by including in the report cards, at a minimum, the information described in paragraphs (3) through (5) for all public schools and local educational agencies in the State that receive funds under this Act.

''(D) PUBLICATION THROUGH OTHER MEANS.—In the event that the State does not publish a report card described in subparagraph (B) or (C), the State shall, not later than the beginning of the 2002–2003 school year, meet the requirements of subparagraph (A) by publicly reporting the information described in paragraphs (3) through (5) for all public schools and local educational agencies in the State that receive funds under this Act.

''(2) IMPLEMENTATION; REQUIREMENTS.—The State shall ensure implementation at the State, local, and school levels of the activities necessary to enable the State to make the reports described in paragraph (1).

''(3) REQUIRED INFORMATION.—Each State described in paragraph (1)(A) shall, at a minimum, include in the annual State report information on each local educational agency and public school that receives funds under this Act, including information regarding—

''(A)(i) student performance on statewide assessments for the year for which the annual State report is made, and the preceding year, in at least English language arts, mathematics, and (in each State report for a school year after the 2006–2007 school year) science, including—

''(I) a comparison of the proportions of students who performed at the State's basic, proficient, and advanced levels of performance in each academic subject, for each grade level for which State assessments are required under section 1111(b)(4) for the year for which the report is prepared, with proportions in each of the same 3 levels in each academic subject at the same grade levels in the preceding school year; and

''(II) a statement of the percentage of students not tested and a listing of categories of the reasons why such students were not tested; and

''(ii) the most recent 3-year trend in the percentage of students performing at the State's basic, proficient, and advanced levels of performance, for each grade level for which State assessments are required under section 1111(b)(4), in each academic subject, including at least—

''(I) English language arts;

''(II) mathematics; and

''(III) (in each State report for a school year after the 2007–2008 school year) science;

''(B) student retention rates in each grade, the number of students completing advanced placement courses, and 4-year graduation rates;

''(C) the professional qualifications of teachers in the aggregate, including the percentage of teachers teaching with emergency or provisional credentials, the percentage of class sections not taught by fully qualified teachers, and the percentage of teachers who are fully qualified; and

''(D) the professional qualifications of paraprofessionals in the aggregate, the number of paraprofessionals in the aggregate,

and the ratio of paraprofessionals to teachers in the classroom.

''(4) STUDENT DATA.—Student data in each report shall contain disaggregated results for the following categories:

''(A) Racial and ethnic groups.

''(B) Gender groups.

''(C) Economically disadvantaged students, as compared to students who are not economically disadvantaged.

''(D) Students with limited English proficiency, as compared with students who are proficient in English.

''(5) OPTIONAL INFORMATION.—A State may include in the State annual report any other information the State determines appropriate to reflect school quality and school achievement, including by grade level information on—

''(A) average class size; and

''(B) school safety, such as the incidence of school violence and drug and alcohol abuse, and the incidence of student suspensions and expulsions.

''(6) WAIVER.—The Secretary may grant a waiver to a State seeking a waiver of the requirements of this subsection, if the State demonstrates to the Secretary that—

''(A) the content of State reports meets the goals of this part; and

''(B) the State is taking identifiable steps to meet the requirements of this subsection.

''(f) LOCAL EDUCATIONAL AGENCY AND SCHOOL REPORT CARDS.—

''(1) REPORT CARD REQUIRED.—

''(A) IN GENERAL.—The State shall ensure that each local educational agency, public elementary school, or public secondary school in the State that receives funds under this Act, collects appropriate data and publishes an annual report card consistent with this subsection.

''(B) REQUIRED INFORMATION.—Each local educational agency, elementary school, and secondary school described in subparagraph (A) shall, at a minimum, include in its annual report card—

''(i) the information described in paragraphs (3) and (4) of subsection (e) for each local educational agency and school, as appropriate;

''(ii) in the case of a local educational agency—

''(I) information regarding the number and percentage of schools served by the local educational agency that are identified for school improvement and corrective action, including schools identified under section 1116;

''(II) information on the most recent 3-year trend in the number and percentage of elementary schools and secondary schools served by the local educational agency that are identified for school improvement; and

''(III) information that shows how students in the schools served by the local educational agency performed on the statewide assessment compared with students in the State as a whole;

''(iii) in the case of an elementary school or a secondary school—

''(I) information regarding whether the school has been identified for school improvement or corrective action; and

''(II) information that shows how the school's students performed on the statewide assessment compared with students in schools served by the same local educational agency and with all students in the State; and

''(iv) other appropriate information, whether or not the information is included in the annual State report.

''(2) SPECIAL RULE.—A local educational agency that issues report cards for all public elementary schools and secondary schools served by the agency shall include, at a minimum, the information described in paragraphs (3) through (5) of subsection (e) for all public schools that receive funds under this Act.

''(g) DISSEMINATION AND ACCESSIBILITY OF REPORTS AND REPORT CARDS.—

''(1) REQUIREMENTS.—Annual reports and report cards under this part shall be—

''(A) concise; and

''(B) presented in a format and manner that parents can understand, including, to the extent practicable, in a language the parents can understand.

''(2) STATE REPORTS.—State annual reports under subsection (e) shall be disseminated to all elementary schools, secondary schools, and local educational agencies in the State, and made broadly available to the public through means such as posting on the Internet and distribution to the media, and through public agencies.

''(3) LOCAL REPORT CARDS.—Local educational agency report cards under subsection (f) shall be disseminated to all elementary schools and secondary schools served by the local educational agency and to all parents of students attending such schools, and made broadly available to the public through means such as posting on the Internet and distribution to the media, and through public agencies.

''(4) SCHOOL REPORT CARDS.—Elementary school and secondary school report cards under subsection (f) shall be disseminated to all parents of students attending that school, and made broadly available to the public, through means such as posting on the Internet and distribution to the media, and through public agencies.

''(h) PARENTS RIGHT-TO-KNOW.—

''(1) QUALIFICATIONS.—A local educational agency that receives funds under part A of title I or part A of title II shall provide, on request, in an understandable and uniform format, to any parent of a student attending any school served by the agency and receiving funds under part A of title I or part A of title II, information regarding the professional qualifications of the student's classroom teachers. The information shall describe, at a minimum—

''(A) whether the teacher is fully qualified, as defined in section 2002, for the grade levels and academic subjects in which the teacher teaches;

''(B) whether the teacher is teaching under emergency or other provisional status through which State certification or licensing criteria are waived;

''(C) the major in which the teacher received a baccalaureate degree, any graduate degree or certification held by the teacher, and the field of discipline of each such degree or certification; and

''(D) whether the student is provided services by paraprofessionals, and the qualifications of any such paraprofessional.

''(2) ADDITIONAL INFORMATION.—In addition to the information described in paragraph (1), and the information provided in reports and report cards under this part, a school that receives funds under part A of title I or part A of title II shall provide, to the extent practicable, to each individual parent (including a guardian) of a student attending the school—

''(A) information on the level of performance of the student on each of the State assessments required under section 1111(b)(4); and

''(B) if the student was assigned to or taught for 2 or more consecutive weeks by a substitute teacher or by a teacher who is not fully qualified, timely notice about the teacher involved.

''(i) COORDINATION OF STATE PLAN CONTENT.—A State shall include in the State's plan under part A of title I or part A of title II, an assurance that the State has in effect a policy that meets the requirements of this section.

''(j) PRIVACY.—Information collected under this section shall be collected and disseminated in a manner that protects the privacy of individuals.

''(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part $5,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(l) DEFINITION.—In this section, the term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.''.

TITLE V—IMPACT AID

SEC. 501. PAYMENTS RELATING TO FEDERAL ACQUISITION OF REAL PROPERTY.

Section 8002 (20 U.S.C. 7702), as amended by section 1803 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398), is amended—

(1) in subsection (h)(4), by striking subparagraph (B) and inserting the following:

''(B) the Secretary shall make a payment to each local educational agency that is eligible to receive a payment under this section for the fiscal year involved in an amount that bears the same relation to 75 percent of the remainder as a percentage share determined for the local educational agency (as determined by dividing the maximum amount that such agency is eligible to receive under subsection (b) by the total maximum amounts that all such local educational agencies are eligible to receive under such subsection) bears to the percentage share determined (in the same manner) for all local educational agencies eligible to receive a payment under this section for the fiscal year involved, except that for purposes of calculating a local educational agency's maximum payment, data from the most current fiscal year shall be used.''; and

(2) by adding at the end the following:

''(n) LOSS OF ELIGIBILITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall make the following minimum payments for each fiscal year to each local educational agency described in paragraph (2):

''(A) For the first fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 90 percent of the amount received in the final fiscal year of eligibility.

''(B) For the second fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 75 percent of the amount received in the final fiscal year of eligibility.

''(C) For the third fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 50 percent of the amount received in the final fiscal year of eligibility.

''(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—A local educational agency described in this paragraph is an agency that—

''(A) was eligible for, and received, a payment under this section for fiscal year 2002; and

''(B) beginning in fiscal year 2003 or a subsequent fiscal year, is no longer eligible for payments under this section as provided for in subsection (a)(1)(C) as a result of the transfer of the Federal property involved to a non-Federal entity.''.

SEC. 502. REPEAL OF SPECIAL RULE RELATING TO THE COMPUTATION OF PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED CHILDREN.

Section 8003(a) (20 U.S.C. 7703(a)) is amended by striking paragraph (3).

SEC. 503. EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.

Section 8014 (20 U.S.C. 7714), as amended by section 1817 of the Floyd D. Spence National

Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398), is amended—

(1) in subsection (a), by striking ''three succeeding'' and inserting ''six succeeding'';

(2) in subsection (b), by striking ''three succeeding'' and inserting ''six succeeding'';

(3) in subsection (c), by striking ''three succeeding'' and inserting ''six succeeding'';

(4) in subsection (e), by striking ''three succeeding'' and inserting ''six succeeding'';

(5) in subsection (f), by striking ''three succeeding'' and inserting ''six succeeding''; and

(6) in subsection (g), by striking ''three succeeding'' and inserting ''six succeeding''.

SEC. 504. REPEALS, TRANSFERS, AND REDESIGNATIONS.

The Act (20 U.S.C. 6301 et seq.) is amended—

(1) by repealing title V (20 U.S.C. 7201 et seq.);

(2) by redesignating title VIII (20 U.S.C. 7701 et seq.) as title V, and transferring the title to follow title IV (as amended by section 402);

(3) by redesignating references to title VIII as references to title V (as redesignated and transferred by paragraph (2)); and

(4) by redesignating sections 8001 through 8005, and 8007 through 8014 (20 U.S.C. 7701, 7714) (as transferred by paragraph (2)) as sections 5001 through 5001, and 5007 through 5014, respectively, and redesignating accordingly the references to such sections 8001 through 8005 and 8007 through 8014.

TITLE VI—HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES

SEC. 601. HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES.

Title VI (20 U.S.C. 7301 et seq.) is amended to read as follows:

''TITLE VI—HIGH PERFORMANCE AND QUALITY EDUCATION INITIATIVES

''SEC. 6001. FINDINGS, POLICY, AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1)(A) The educators most familiar with schools, including school superintendents, principals, teachers, and school support personnel, have critical roles in knowing what students need and how best to meet the educational needs of students.

''(B) Local educational agencies should therefore have primary responsibility for deciding how to use funds.

''(2)(A) Since the Elementary and Secondary Education Act of 1965 was first authorized in 1965, the Federal Government has created numerous grant programs, each of which was created to address 1 among the myriad challenges and problems facing education.

''(B) Only a few of the Federal grant programs established before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act can be tied to significant quantitative results.

''(C) Because Federal education dollars are distributed through a patchwork of programs, with each program having a set of requirements and restrictions, local educational agencies and schools have found it difficult to leverage funds for maximum impact.

''(D) In many cases, Federal education dollars distributed through competitive grant programs are too diffused to provide a true impact at the school level.

''(E) As a result of the Federal elementary and secondary education policies in place before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act, the focus of Federal, State, and local educational agencies has been diverted from comprehensive student achievement to administrative compliance.

''(3)(A) Every elementary school and secondary school should provide a drug- and violence-free learning environment.

''(B) The widespread illegal use of alcohol and drugs among the Nation's secondary school students, and increasingly among elementary school students, constitutes a grave threat to students' physical and mental well-being, and significantly impedes the learning process.

''(C) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety, youth development, and positive school outcomes, and reduce the demand for and illegal use of alcohol, tobacco, and drugs throughout the Nation.

''(D) Schools, local organizations, parents, students, and communities throughout the Nation have a special responsibility to work together to combat the continuing epidemic of violence and illegal drug use, and should measure the success of programs established to address this epidemic against clearly defined goals and objectives.

''(E) Drug and violence prevention programs are most effective when implemented within a research-based, drug and violence prevention framework of proven effectiveness.

''(F) Substance abuse and violence are intricately related, and must be dealt with in a holistic manner.

''(4)(A) Technology can produce far greater opportunities to enable all students to meet high learning standards, promote efficiency and effectiveness in education, and help to immediately and dramatically reform our Nation's educational system.

''(B) Because most Federal and State educational technology programs have focused on acquiring educational technologies, rather than emphasizing the utilization of the technologies in the classroom and the training and infrastructure required efficiently to support the technologies, the full potential of educational technology has rarely been realized.

''(C) The effective use of technology in education has been inhibited by the inability of many State educational agencies and local educational agencies to invest in and support needed technologies, and to obtain sufficient resources to seek expert technical assistance in developing high-quality professional development activities for teachers and keeping pace with rapid technological advances.

''(D) To remain competitive in the global economy, which is increasingly reliant on a workforce that is comfortable with technology and able to integrate rapid technological changes into production processes, it is imperative that our Nation maintain a work-ready labor force.

''(b) POLICY.—It is the policy of the United States—

''(1) to facilitate significant innovation in elementary school and secondary school education programs;

''(2) to enrich the learning environment of students;

''(3) to provide a safe learning environment for all students;

''(4) to ensure that all students are technologically literate; and

''(5) to assist State educational agencies and local educational agencies in building the agencies' capacity to establish, implement, and sustain innovative programs for public elementary school and secondary school students.

''(c) PURPOSES.—The purposes of this title are as follows:

''(1) To provide supplementary assistance for school improvement to elementary schools, secondary schools, and local educational agencies—

''(A) that have been or are at risk of being identified for improvement, as described in subsection (c) or (d) of section 1116, to carry out activities (as described in such schools' or agencies' improvement plans developed under such section) that are designed to remedy the circumstances that caused such schools or agencies to be identified for improvement; or

''(B) to improve core content curricula and instructional practices and materials in core academic subjects (as defined in section 2002) to ensure that all students are performing at a State's proficient level of performance described in the State performance standards described in section 1111(b)(1) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(2) To provide assistance to local educational agencies and schools for innovative programs and activities that will transform schools into places that provide 21st century opportunities for students by—

''(A) creating challenging learning environments and facilitating academic enrichment through innovative academic programs; or

''(B) providing extra learning, time, and opportunities for students.

''(3) To provide assistance to local educational agencies, schools, and communities to strengthen existing programs or develop and implement new programs, based on proven researched-based strategies, that create safe learning environments by—

''(A) preventing violence and other high-risk behavior from occurring in and around schools; and

''(B) preventing the illegal use of alcohol, tobacco, and drugs among students.

''(4) To create New Economy Technology Schools by providing assistance to local educational agencies and schools for—

''(A) the acquisition, development, interconnection, implementation, improvement, and maintenance of an effective educational technology infrastructure;

''(B) the acquisition and maintenance of technology equipment and the provision of training in the use of such equipment for teachers, school library and media personnel, and administrators;

''(C) the acquisition or development of technology-enhanced curricula and instructional materials that are aligned with challenging State content and student performance standards; and

''(D) the acquisition or development, and implementation, of high-quality professional development activities for teachers concerning the use of technology and integration of technology with challenging State content and student performance standards.

''SEC. 6002. DEFINITIONS.

''In this title:

''(1) AUTHENTIC TASK.—The term 'authentic task' means a real world task as determined by the State involved that—

''(A) is challenging, meaningful, multidisciplinary, and interactive;

''(B) involves reasoning, problem solving, and composition; and

''(C) is not a task requiring a discrete component skill that has no obvious connection with students' activities outside of school.

''(2) POVERTY LINE.—The term 'poverty line' means 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 Community Services Block Grant Act) applicable to a family of the size involved, for the most recent year for which satisfactory data are available.

''(3) SCHOOL-AGE POPULATION.—The term 'school-age population', used with respect to a State, means the population of children

that the State determines are school-age children, but at least the population aged 5 through 17, as determined on the basis of the most recent satisfactory data.

''(4) STATE.—The term 'State' means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

''SEC. 6003. PROGRAMS AUTHORIZED.

''(a) GRANTS AUTHORIZED.—From the amount appropriated under section 6009 for a fiscal year, the Secretary shall award a grant, from an allotment made under subsection (b), to each State educational agency having a State plan approved under section 6005(a)(4) to enable the State educational agency to award grants to local educational agencies in the State.

''(b) RESERVATIONS AND ALLOTMENTS.—

''(1) RESERVATIONS.—From the amount appropriated under section 6009 for a fiscal year, the Secretary shall reserve—

''(A) not more than ½ of 1 percent of such amount for payments to the Bureau of Indian Affairs for activities, approved by the Secretary, consistent with this title;

''(B) not more than ½ of 1 percent of such amount for payments to outlying areas, to be allotted in accordance with their respective needs for assistance under this title as determined by the Secretary, for activities, approved by the Secretary, consistent with this title; and

''(C) such sums as may be necessary to continue to support any multiyear award made under title III, title IV, part B of title V, or title X (as such titles and part were in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) until the termination of the multiyear award.

''(2) STATE ALLOTMENTS.—

''(A) IN GENERAL.—From the amount appropriated under section 6009 for a fiscal year and remaining after the Secretary makes reservations under paragraph (1), the Secretary shall allot to each State having a State plan approved under section 6005(a)(4) the sum of—

''(i) an amount that bears the same relationship to 50 percent of the remainder as the amount the State received under part A of title I for the fiscal year bears to the amount all States received under such part for the fiscal year; and

''(ii) an amount that bears the same relationship to 50 percent of the remainder as the school-age population in the State bears to the school-age population in all States.

''(B) DATA.—For the purposes of determining the school-age population in a State and in all States, the Secretary shall use the most recent available data from the Bureau of the Census.

''(c) STATE MINIMUM.—For any fiscal year, no State shall be allotted under subsection (b)(2) an amount that is less than 0.4 percent of the total amount allotted to all States under subsection (b)(2).

''(d) HOLD-HARMLESS AMOUNTS.—For fiscal year 2002, notwithstanding subsection (e), the amount allotted to each State under subsection (b)(2) shall be not less than 100 percent of the total amount the State was allotted through formula grants under sections 3132, 4011, and 6101 (as such sections were in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act) for fiscal year 2001.

''(e) RATABLE REDUCTIONS.—If the sums made available under subsection (b)(2) for any fiscal year are insufficient to pay the full amounts that all State educational agencies are eligible to receive under subsection (c) or (d) for such year, the Secretary shall ratably reduce such amounts for such year.

''SEC. 6004. WITHIN STATE ALLOCATION.

''(a) RESERVATIONS; ALLOCATIONS.—Each State educational agency for a State receiving a grant for a fiscal year under section 6003(a) shall—

''(1) set aside not more than 1 percent of the grant funds for the cost of administering the activities under this title;

''(2) set aside not more than 4 percent of the grant funds to—

''(A) provide for the establishment of, and continued improvement on, high-quality, internationally competitive content and student performance standards that all students will be expected to meet;

''(B) provide for the establishment of, and continued improvement on, high-quality, rigorous assessments that include multiple measures and demonstrate comprehensive knowledge;

''(C) encourage and enable all State educational agencies and local educational agencies to develop, implement, and strengthen comprehensive education improvement plans that address student achievement, teacher quality, parent involvement, and reliable measurement and evaluation methods; and

''(D) encourage and enable all States to develop and implement value-added assessments, including model value-added assessments identified by the Secretary under section 7104(a)(6); and

''(3) using the remaining 95 percent of the grant funds, make grants by allocating to each local educational agency in the State having a local educational agency plan approved under section 6005(b)(3) the sum of—

''(A) an amount that bears the same relationship to 60 percent of such remainder as the amount the local educational agency received under part A of title I for the fiscal year bears to the amount all local educational agencies in the State received under such part for the fiscal year; and

''(B) an amount that bears the same relationship to 40 percent of such remainder as the school-age population in the area served by the local educational agency bears to the school-age population in the area served by all local educational agencies in the State.

''(b) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—Each eligible local educational agency receiving a grant under subsection (a) shall, with respect to the costs to be incurred by the agency in carrying out the programs for which the grant was awarded, make available (directly or through donations from public or private entities) non-Federal contributions, in cash or in kind, in an amount equal to 25 percent of the Federal funds provided under the grant.

''(2) WAIVER.—A local educational agency may apply to the State educational agency for, and the State educational agency may grant, a waiver of the requirements of paragraph (1) to a local educational agency that—

''(A) applies for such a waiver; and

''(B) demonstrates that extreme circumstances make the agency unable to meet such requirements.

''SEC. 6005. PLANS.

''(a) STATE PLANS.—

''(1) IN GENERAL.—The State educational agency for each State desiring a grant under this title shall submit a State plan to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(2) CONSOLIDATED PLAN.—A State plan submitted under paragraph (1) may be submitted as part of a consolidated plan under section 8302.

''(3) CONTENTS.—Each plan submitted under paragraph (1) shall—

''(A) describe how the State educational agency will assist each local educational agency and school served under this title in the State to comply with the requirements described in section 6006 that are applicable to the local educational agency or school;

''(B) certify that the State has in place the standards and assessments required under section 1111;

''(C) certify that the State educational agency has a system, as required under section 1111, for—

''(i) holding each local educational agency and school in the State accountable for adequate yearly progress (as defined under section 1111(b)(2)(B));

''(ii) identifying local educational agencies and schools for improvement and corrective action (as required in subsections (c) and (d) of section 1116);

''(iii) assisting local educational agencies and schools that are identified for improvement with the development of improvement plans; and

''(iv) providing technical assistance, professional development, and other capacity building as needed to remove such agencies and schools from improvement status;

''(D) certify that the State educational agency shall use the disaggregated results of student assessments required under section 1111(b)(4), and other available measures or indicators, to review annually the progress of each local educational agency and school served under this title in the State, to determine whether or not each such agency and school is making adequate yearly progress as required under section 1111(b)(2);

''(E) certify that the State educational agency will take action against a local educational agency that is in corrective action and receiving funds under this title as described in section 6006(d)(1);

''(F) describe what, if any, State and other resources will be provided to local educational agencies and schools served under this title to carry out activities consistent with this title; and

''(G) certify that the State educational agency has a system to hold local educational agencies accountable for meeting the annual performance objectives required under subsection (b)(2)(C).

''(4) APPROVAL.—The Secretary, after using a peer review process, shall approve a State plan if the State plan meets the requirements of this subsection.

''(5) DURATION OF THE PLAN.—Each State plan shall remain in effect for the duration of the State's participation under this title.

''(6) REQUIREMENT.—The Secretary shall not approve a State plan for a State unless the State has established the standards and assessments required under section 1111.

''(b) LOCAL PLANS.—

''(1) IN GENERAL.—Each local educational agency desiring a grant under this title shall annually submit a local educational agency plan to the State educational agency at such time, in such manner, and containing such information as the State educational agency may require.

''(2) CONTENTS.—Each local educational agency shall—

''(A) describe the programs for which funds allocated under section 6004(a)(3) will be used and the reasons for the selection of such programs;

''(B) describe the methods the local educational agency will use to measure the annual impact of programs described under subparagraph (A) and the extent to which such programs will increase student academic performance;

''(C) describe the annual, quantifiable, and measurable performance goals and objectives that the local educational agency will use for each program described under subparagraph (A) and the extent to which such goals

and objectives are aligned with State content and student performance standards;

''(D) describe how the local educational agency will hold schools accountable for meeting the performance objectives for each program described under subparagraph (C);

''(E) provide an assurance that the local educational agency has met the local plan requirements described in section 1112 for—

''(i) holding schools accountable for adequate yearly progress as required under section 1111(b)(2), including meeting annual numerical goals for improving the performance of all groups of students based on the student performance standards set by the State under section 1111(b)(1)(D)(ii);

''(ii) identifying schools for school improvement or corrective action;

''(iii) fulfilling the local educational agency's school improvement responsibilities described in section 1116, including taking corrective action under section 1116(c)(10); and

''(iv) providing technical assistance, professional development, or other capacity building to schools served by the agency;

''(F) certify that the local educational agency will take action against a school that is in corrective action and receiving funds under this title as described under section 6006(d)(2);

''(G) describe what State and local resources will be contributed to carrying out programs described under subparagraph (A);

''(H) provide assurances that the local educational agency consulted, at a minimum, with parents, school board members, teachers, administrators, business partners, education organizations, and community groups to develop the local educational agency plan and select the programs to be assisted under this title; and

''(I) provide assurances that the local educational agency will continue such consultation on a regular basis and will provide the State with annual evidence of such consultation.

''(3) APPROVAL.—The State, after using a peer review process, shall approve a local educational agency plan if the plan meets the requirements of this subsection.

''(4) DURATION OF THE PLAN.—Each local educational agency plan shall remain in effect for the duration of the local educational agency's participation under this title.

''(5) PUBLIC REVIEW.—Each State educational agency shall make publicly available each local educational agency plan approved under paragraph (3).

''SEC. 6006. LOCAL USES OF FUNDS AND ACCOUNTABILITY.

''(a) ADMINISTRATIVE EXPENSES.—Each local educational agency receiving a grant award under section 6004(a)(3) may use not more than 1 percent of the grant funds for a fiscal year for the cost of administering this title.

''(b) REQUIRED ACTIVITIES.—Each local educational agency receiving a grant award under section 6004(a)(3) shall use the grant funds pursuant to this section to establish and carry out programs that are designed to achieve, separately or cumulatively, each of the goals described in the categories specified in the following paragraphs:

''(1) SCHOOL IMPROVEMENT.—Each local educational agency shall use 30 percent of the grant funds—

''(A) in the case of a school that has been identified for school improvement under section 1116(c), for activities or strategies that are described in section 1116(c) that focus on removing such school from school improvement status; or

''(B) for programs that seek to raise the academic achievement levels of all elementary school and secondary school students based on challenging State content and student performance standards and, to the greatest extent possible—

''(i) incorporate the best practices developed from research-based methods and practices;

''(ii) are aligned with challenging State content and performance standards and focused on reinforcing and boosting the core academic skills and knowledge of students who are struggling academically, as determined by State assessments under section 1111(b)(4) and local evaluations;

''(iii) focus on accelerated learning rather than remediation, so that students will master the high level of skills and knowledge needed to meet the highest State standards or to perform at high levels on all State assessments;

''(iv) offer teachers, principals, and administrators professional development and technical assistance that are aligned with the other content of such programs; and

''(v) address local needs, as determined by the local educational agency's evaluation of school and districtwide data.

''(2) 21ST CENTURY OPPORTUNITIES.—Each local educational agency shall use 25 percent of the grant funds for—

''(A) programs that provide for extra learning, time, and opportunities for students so that all students may achieve high levels of learning and perform at the State's proficient level of performance described in the State standards described in section 1111(b)(1) within 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act;

''(B) programs to improve higher order thinking skills of all students, especially disadvantaged students;

''(C) promising innovative education reform projects that are consistent with challenging State content and student performance standards; or

''(D) programs that focus on ensuring that disadvantaged students enter elementary school with the basic skills needed to meet the highest State content and student performance standards.

''(3) SAFE LEARNING ENVIRONMENTS.—Each local educational agency shall use 15 percent of the grant funds for programs that help ensure that all elementary school and secondary school students learn in a safe and supportive environment, by—

''(A) reducing drugs, violence, and other high-risk behavior in schools;

''(B) providing safe, extended-day opportunities for students;

''(C) providing professional development activities for teachers, principals, mental health professionals, and guidance counselors concerning dealing with students exhibiting distress (such as exhibiting distress through substance abuse, disruptive behavior, and suicidal behavior);

''(D) recruiting or retaining high-quality mental health professionals;

''(E) providing character education for students;

''(F) meeting other objectives that are established under State standards regarding safety or that address local community concerns; or

''(G) providing alternative educational opportunities for violent and disruptive students.

''(4) NEW ECONOMY TECHNOLOGY SCHOOLS.—

''(A) IN GENERAL.—Each local educational agency shall use 30 percent of the grant funds to establish technology programs that will transform schools into New Economy Technology Schools and, to the greatest extent possible, will—

''(i) increase student performance related to an authentic task;

''(ii) integrate the use of technology into activities that are a core part of classroom curricula and are available to all students;

''(iii) emphasize how to use technology to accomplish authentic tasks;

''(iv) provide professional development and technical assistance to teachers so that teachers may integrate technology into daily teaching activities that are directly aligned with State content and student performance standards;

''(v) enable the local educational agency annually to increase the percentage of classrooms with access to technology, particularly in schools in which not less than 50 percent of the school-age population comes from families with incomes below the poverty line; and

''(vi) allow local educational agencies to provide incentives or bonuses for teachers who have met the National Education Technology Standards, as developed by the Department of Education and the International Society for Technology in Education, or have obtained an information technology certification that is directly related to the curricula or the academic subjects that the teachers teach.

''(B) LIMITATION.—Each local educational agency shall use a portion equal to not more than 50 percent of the grant funds described in subparagraph (A) to purchase, upgrade, or retrofit computer hardware in schools. In distributing funds from that portion, the agency shall give priority to schools in which not less than 50 percent of the school-age population comes from families with incomes below the poverty line.

''(c) TRANSFER OF FUNDS.—Notwithstanding subsection (b)—

''(1) a local educational agency that meets adequate yearly progress requirements for student performance, as established by the State educational agency under section 1111(b)(2)(B), may allocate, at the local educational agency's discretion, not more than 30 percent of the grant funds received under section 6004(a)(3) among the 4 categories described in paragraphs (1) through (4) of subsection (b);

''(2) a local educational agency that exceeds the adequate yearly progress requirements described in paragraph (1) by a significant amount, as determined by the State educational agency, may allocate, at the local educational agency's discretion, not more than 50 percent of the grant funds received under section 6004(a)(3) among the 4 categories; and

''(3) a local educational agency that is identified for improvement, as described in section 1116(d), may apply not more than 25 percent of the grant funds in the categories described in paragraphs (2), (3), and (4) of subsection (b) to carry out school improvement activities described in subsection (b)(1).

''(d) LIMITATIONS FOR SCHOOLS AND LOCAL EDUCATIONAL AGENCIES IN CORRECTIVE ACTION.—

''(1) LOCAL EDUCATIONAL AGENCIES IN CORRECTIVE ACTION.—If a local educational agency is identified for corrective action under section 1116(d), the State educational agency shall—

''(A) notwithstanding any other provision of law, specify how the local educational agency shall spend the grant funds in order to focus the local educational agency on the activities that will be the most effective in raising student performance levels; and

''(B) implement corrective action in accordance with the provisions for corrective action described in section 1116(d)(12).

''(2) SCHOOLS IN CORRECTIVE ACTION.—If a school is identified for corrective action under section 1116(c), the local educational agency shall—

''(A) specify how the school shall spend grant funds received under this section in order to focus the school on the activities that will be the most effective in raising student performance levels; and

''(B) implement corrective action in accordance with the provisions for corrective action described in section 1116(c)(10).

''(3) DURATION.—Limitations imposed under paragraphs (1) and (2) on a school or local educational agency in corrective action status shall remain in effect until such time as the school or local educational agency has made sufficient improvement, as determined by the State educational agency, and is removed from corrective action status.

''SEC. 6007. STATE AND LOCAL RESPONSIBILITIES.

''(a) DATA REVIEW.—

''(1) STATE AND LOCAL REVIEW.—A State educational agency shall jointly review with a local educational agency described in section 6006(d)(1) the local educational agency's data gathered from student assessments and other measures required under section 1111(b)(4), in order to determine pursuant to section 6006(d)(1)(A) how the local educational agency shall spend the grant funds in order to substantially increase student performance levels.

''(2) SCHOOL AND LOCAL REVIEW.—A local educational agency shall jointly review with a school described in section 6006(d)(2) the school's data gathered from student assessments and other measures required under section 1111(b)(4), in order to determine pursuant to section 6006(d)(2) how the school shall spend grant funds in order to substantially increase student performance levels.

''(b) TECHNICAL ASSISTANCE.—

''(1) STATE ASSISTANCE.—

''(A) IN GENERAL.—A State educational agency shall provide, upon request by a local educational agency receiving grant funds under this title, technical assistance to the local educational agency and schools served by the local educational agency, including assistance in analyzing student performance and the impact of programs assisted under this title, and identifying the best instructional strategies and methods for carrying out such programs.

''(B) PROVISION.—State technical assistance may be provided by—

''(i) the State educational agency; or

''(ii) with the local educational agency's approval, an institution of higher education, a private not-for-profit or for-profit organization, an educational service agency, the recipient of a Federal contract or participant in a cooperative agreement as described in section 7104(a)(3), a nontraditional entity such as a corporation or consulting firm, or any other entity with experience in the program area for which the assistance is being sought.

''(2) LOCAL ASSISTANCE.—

''(A) IN GENERAL.—A local educational agency shall provide, upon request by an elementary school or secondary school served by the agency and receiving grant funds under this title, technical assistance to such school, including assistance in analyzing student performance and the impact of programs assisted under this title, and identifying the best instructional strategies and methods for carrying out such programs.

''(B) PROVISION.—Local technical assistance may be provided by—

''(i) the State educational agency or local educational agency; or

''(ii) with the school's approval, an institution of higher education, a private not-for-profit or for-profit organization, an educational service agency, the recipient of a Federal contract or participant in a cooperative agreement as described in section 7104(a)(3), a nontraditional entity such as a corporation or consulting firm, or any other entity with experience in the program area for which the assistance is being sought.

''SEC. 6008. LOCAL REPORTS.

''Each local educational agency receiving funds under this title to carry out programs shall annually publish and disseminate to the public in a format and, to the extent practicable, in a language that parents can understand, a report on—

''(1) information describing the use of funds in the 4 categories described in section 6006(b);

''(2) the impact of such programs and an assessment of such programs' effectiveness; and

''(3) the local educational agency's progress toward attaining the goals and objectives described in the plan described in section 6005(b), and the extent to which programs assisted under this title have increased student achievement.

''SEC. 6009. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title $3,500,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

TITLE VII—ACCOUNTABILITY

SEC. 701. ACCOUNTABILITY.

Title VII (20 U.S.C. 7401 et seq.) is amended to read as follows:

''TITLE VII—ACCOUNTABILITY

''PART A—SANCTIONS AND REWARDS

''SEC. 7101. SANCTIONS.

''(a) THIRD FISCAL YEAR.—If a State receiving grant funds under a covered provision has not met the performance objectives established under the covered provision by the end of the third fiscal year for which the State receives such grant funds, the Secretary shall reduce by 50 percent the amount the State receives for administrative expenses under such provision.

''(b) FOURTH FISCAL YEAR.—If the State fails to meet the performance objectives established under the covered provision by the end of the fourth fiscal year for which the State receives such grant funds, the Secretary shall reduce the total amount the State receives under title VI by 30 percent.

''(c) DURATION.—If the Secretary determines, under subsection (a) or (b), that a State failed to meet the performance objectives established under a covered provision for a third or fourth fiscal year, the Secretary shall reduce grant funds in accordance with subsection (a) or (b) for the State for each subsequent fiscal year until the State demonstrates that the State met the performance objectives for the fiscal year preceding the demonstration.

''(d) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance, if sought, to a State subjected to sanctions under subsection (a) or (b).

''(e) LOCAL SANCTIONS.—

''(1) IN GENERAL.—Each State receiving assistance under part A of title I, part A of title II, part A of title III, or title VI shall develop a system to hold local educational agencies accountable for meeting—

''(A) the performance objectives established under part A of title II, part A of title III, and title VI; and

''(B) the adequate yearly progress requirements established under part A of title I, and required under part A of title III and title VI.

''(2) SANCTIONS.—A system developed under paragraph (1) shall include a mechanism for sanctioning local educational agencies for failure to meet such performance objectives and adequate yearly progress levels.

''(f) DEFINITIONS.—In this section:

''(1) COVERED PROVISION.—The term 'covered provision' means part A of title I, part A of title II, part A of title III, and title VI.

''(2) PERFORMANCE OBJECTIVES.—The term 'performance objectives' means, used with respect to—

''(A) part A of title I, the adequate yearly progress levels established under subsections (b)(2)(A)(iii) and (b)(2)(B) of section 1111;

''(B) part A of title II, the set of performance objectives established under section 2104;

''(C) part A of title III, the set of performance objectives established under section 3109; and

''(D) title VI, the set of performance objectives set by each local educational agency under section 6005(b)(2)(C).

''SEC. 7102. REWARDING HIGH PERFORMANCE.

''(a) STATE REWARDS.—

''(1) IN GENERAL.—From amounts appropriated under subsection (d), and from amounts made available as a result of reductions under section 7101, the Secretary shall make awards to States that—

''(A) for 3 consecutive years have—

''(i) exceeded the States' performance objectives established for any title under this Act;

''(ii) exceeded the adequate yearly progress levels established under section 1111(b)(2);

''(iii) significantly narrowed the gaps between minority and nonminority students, and between economically disadvantaged and noneconomically disadvantaged students;

''(iv) raised all students enrolled in the States' public elementary schools and secondary schools to the State's proficient level of performance described in the State standards described in section 1111(b)(4) earlier than 10 years after the date of enactment of the Public Education Reinvention, Reinvestment, and Responsibility Act; or

''(v) significantly increased the percentage of classes in core academic subjects being taught by fully qualified teachers in schools receiving funds under part A of title I; or

''(B) not later than December 31, 2004, ensure that all teachers teaching in the States' public elementary schools and secondary schools are fully qualified.

''(2) STATE USE OF FUNDS.—

''(A) DEMONSTRATION SITES.—Each State receiving an award under paragraph (1) shall use a portion of the award that is not distributed under subsection (b) to establish demonstration sites with respect to high-performing schools (based on performance objectives or adequate yearly progress) in order to help low-performing schools.

''(B) IMPROVEMENT OF PERFORMANCE.—Each State receiving an award under paragraph (1) shall use the portion of the award that is not used pursuant to subparagraph (A) or (C) and is not distributed under subsection (b) for the purpose of improving the level of performance of all elementary school and secondary school students in the State, based on State content and performance standards.

''(C) RESERVATION FOR ADMINISTRATIVE EXPENSES.—Each State receiving an award under paragraph (1) may set aside not more than ½ of 1 percent of the award for the planning and administrative costs of carrying out this section, including the costs of distributing awards to local educational agencies.

''(b) LOCAL EDUCATIONAL AGENCY AWARDS.—

''(1) IN GENERAL.—Each State receiving an award under subsection (a)(1) shall distribute 80 percent of the award funds by making awards to local educational agencies in the State that—

''(A) for 3 consecutive years have—

''(i) exceeded the State-established local educational agency performance objectives established for any title under this Act;

''(ii) exceeded the adequate yearly progress levels established under section 1111(b)(2);

''(iii) significantly narrowed the gaps between minority and nonminority students, and between economically disadvantaged and noneconomically disadvantaged students;

''(iv) raised all students enrolled in schools served by the local educational agency to the State's proficient level of performance described in the State standards described in section 1111(b)(1) earlier than 10 years after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act; or

''(v) significantly increased the percentage of classes in core academic subjects being taught by fully qualified teachers in schools receiving funds under part A of title I;

''(B) not later than December 31, 2004, ensure that all teachers teaching in the elementary schools and secondary schools served by the local educational agencies are fully qualified; or

''(C) have attained consistently high achievement in another area that the State determines is appropriate to reward.

''(2) SCHOOL AWARDS.—A local educational agency shall use funds made available under paragraph (1) for activities described in subsection (c).

''(3) RESERVATION FOR ADMINISTRATIVE EXPENSES.—Each local educational agency receiving an award under paragraph (1) may set aside not more than ½ of 1 percent of the award for the planning and administrative costs of carrying out this section, including the costs of distributing awards to eligible elementary schools and secondary schools, teachers, and principals.

''(c) SCHOOL AWARDS.—Each local educational agency receiving an award under subsection (b) shall consult with teachers and principals to develop a reward system, and shall use the award funds for 1 or more activities—

''(1) to reward individual schools that demonstrate high performance with respect to—

''(A) increasing the academic achievement of all students;

''(B) narrowing the academic achievement gap described in section 1111(b)(2)(B)(vii);

''(C) improving teacher quality;

''(D) increasing high-quality professional development for teachers, principals, and administrators; or

''(E) improving the English proficiency of limited English proficient students;

''(2) to reward collaborative teams of teachers, or teams of teachers and principals, that—

''(A) significantly improve the annual performance of low-performing students; or

''(B) significantly improve in a fiscal year the English proficiency of limited English proficient students;

''(3) to reward principals who successfully raise the performance of a substantial number of low-performing students to high academic levels;

''(4) to develop or implement school districtwide programs or policies to improve the level of student performance on State assessments that are aligned with State content standards; or

''(5) to reward schools for consistently high achievement in another area that the local educational agency determines is appropriate to reward.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(e) DEFINITION.—In this section:

''(1) CORE ACADEMIC SUBJECT.—The term 'core academic subject' has the meaning given the term in section 2002.

''(2) LOW-PERFORMING STUDENT.—In this section, the term 'low-performing student' means a student who performs below a State's basic level of performance described in the State standards described in section 1111(b)(1).

''SEC. 7103. SUPPLEMENT NOT SUPPLANT.

''Funds appropriated pursuant to the authority of this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide activities described in section 7102.

''SEC. 7104. SECRETARY'S ACTIVITIES.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, from amounts appropriated under subsection (d) and not reserved under subsection (b), the Secretary may—

''(1) support activities of the National Board for Professional Teaching Standards;

''(2) study and disseminate information regarding model programs assisted under this Act;

''(3) provide training and technical assistance to States, local educational agencies, elementary schools and secondary schools, Indian tribes, and other recipients of grant funds under this Act that are carrying out activities assisted under this Act, including entering into contracts or cooperative agreements with public or private nonprofit entities or consortia of such entities, in order to provide comprehensive training and technical assistance related to the administration and implementation of activities assisted under this Act;

''(4) support activities that will promote systemic education reform at the State and local levels;

''(5) award grants or contracts to public or private nonprofit entities to enable the entities—

''(A) to develop and disseminate information on exemplary educational practices relating to reading, writing, mathematics, science, and other academic subjects, and technology, and instructional materials and professional development concerning the academic subjects, for States, local educational agencies, and elementary schools and secondary schools; and

''(B) to provide technical assistance concerning the implementation of teaching methods and assessment tools for use by elementary school and secondary school students, teachers, and administrators;

''(6) disseminate information on models of value-added assessments;

''(7) award a grant or contract to a public or private nonprofit entity or consortium of such entities for the development and dissemination of information on exemplary programs and curricula for accelerated and advanced learning for all students, including gifted and talented students;

''(8) award a grant or contract to Reading Is Fundamental, Inc. and other public or private nonprofit entities to support and promote programs that include the distribution of inexpensive books to students and the provision of literacy activities that motivate students to read; and

''(9) provide assistance to States—

''(A) by assisting in the development of English language development standards and high-quality assessments, if requested by a State participating in activities under part A of title III; and

''(B) by developing native language tests for limited English proficient students that a State may administer to such students to assess student performance in at least reading, science, and mathematics, consistent with section 1111.

''(b) RESERVATION.—From the amounts appropriated under subsection (d), the Secretary shall reserve $10,000,000 for the purposes of carrying out activities under section 1202(c).

''(c) SPECIAL RULE FOR SECRETARY AWARDS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this Act, a recipient of funds under this Act for a program that are provided through a direct grant made by the Secretary, or a contract or cooperative agreement entered into directly with the Secretary, shall include information on the following in any application or plan required under such program:

''(A) How funds provided under the program have been used and will be used and how such use has increased and will increase student academic achievement.

''(B) The goals and objectives that have been met and that will be met through the program, including goals for dissemination and use of any information or materials produced.

''(C) How the recipient has tracked and reported annually, and will track and report annually, to the Secretary information on—

''(i) the successful dissemination of any information or materials produced under the program;

''(ii) where the information or materials produced are being used; and

''(iii) the impact of such use and, if applicable, the extent to which such use increases student academic achievement.

''(2) REQUIREMENT.—If no application or plan is required under a program described in paragraph (1), the Secretary shall require the recipient to submit a plan containing the information required under paragraph (1).

''(3) FAILURE TO ACHIEVE GOALS AND OBJECTIVES.—

''(A) IN GENERAL.—The Secretary shall evaluate the information submitted under this subsection to determine whether the recipient has met the goals and objectives described in paragraph (1)(B), assess the magnitude of the dissemination, and assess the effectiveness of the activity funded in raising student academic achievement in places where information or materials produced with such funds are used.

''(B) INELIGIBILITY.—The Secretary shall consider the recipient ineligible for grants, contracts, or cooperative agreements described in paragraph (1) if—

''(i) the goals and objectives described in paragraph (1)(B) have not been met;

''(ii) the dissemination has not been of a magnitude to ensure that national goals are being addressed; or

''(iii) the information or materials produced have not made a significant impact on raising student achievement in places where such information or materials are used.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $150,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.

''PART B—AMERICA'S EDUCATION GOALS PANEL

''SEC. 7201. AMERICA'S EDUCATION GOALS PANEL.

''(a) PURPOSE.—The purpose of this section is to establish a bipartisan mechanism for—

''(1) building a national consensus for education improvement; and

''(2) reporting on progress toward achieving America's Education Goals.

''(b) AMERICA'S EDUCATION GOALS PANEL.—

''(1) ESTABLISHMENT.—There is established in the executive branch an America's Education Goals Panel (referred to in this part as the 'Goals Panel') to advise the President, the Secretary, and Congress.

''(2) COMPOSITION.—The Goals Panel shall be composed of 18 members (referred to individually in this section as a 'member'), including—

''(A) 2 members appointed by the President;

''(B) 8 members who are Governors, 3 of whom shall be from the same political party as the President and 5 of whom shall be from the opposite political party from the President, appointed by the Chairperson and Vice Chairperson of the National Governors' Association, with the Chairperson and Vice Chairperson each appointing representatives of such Chairperson's and Vice Chairperson's respective political parties, in consultation with each other;

''(C) 4 Members of Congress, of whom—

''(i) 1 member shall be appointed by the Majority Leader of the Senate from among the Members of the Senate;

''(ii) 1 member shall be appointed by the Minority Leader of the Senate from among the Members of the Senate;

''(iii) 1 member shall be appointed by the Majority Leader of the House of Representatives from among the Members of the House of Representatives; and

''(iv) 1 member shall be appointed by the Minority Leader of the House of Representatives from among the Members of the House of Representatives; and

''(D) 4 members of State legislatures appointed by the President of the National Conference of State Legislatures, of whom 2 shall be from the same political party as the President of the United States.

''(3) SPECIAL APPOINTMENT RULES.—

''(A) IN GENERAL.—The members appointed pursuant to paragraph (2)(B) shall be appointed as follows:

''(i) SAME PARTY.—If the Chairperson of the National Governors' Association is from the same political party as the President, the Chairperson shall appoint 3 individuals and the Vice Chairperson of such association shall appoint 5 individuals.

''(ii) OPPOSITE PARTY.—If the Chairperson of the National Governors' Association is from the opposite political party from the President, the Chairperson shall appoint 5 individuals and the Vice Chairperson of such association shall appoint 3 individuals.

''(B) SPECIAL RULE.—If the National Governors' Association has appointed a panel that meets the requirements of paragraph (2) and subparagraph (A) (except for the requirements of paragraph (2)(D)), prior to the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act, the members serving on such panel shall be deemed to be in compliance with the provisions of such paragraph (2) and subparagraph (A) and shall not be required to be reappointed pursuant to such paragraph (2) and subparagraph (A).

''(C) REPRESENTATION.—To the extent feasible, the membership of the Goals Panel shall be geographically representative and reflect the racial, ethnic, and gender diversity of the United States.

''(4) TERMS.—The terms of service of members shall be as follows:

''(A) PRESIDENTIAL APPOINTEES.—Members appointed under paragraph (2)(A) shall serve at the pleasure of the President.

''(B) GOVERNORS.—Members appointed under paragraph (2)(B) (or (3)(B)) shall serve for 2-year terms, except that the initial appointments under such paragraph shall be made to ensure staggered terms.

''(C) CONGRESSIONAL APPOINTEES AND STATE LEGISLATORS.—Members appointed under subparagraphs (C) and (D) of paragraph (2) shall serve for 2-year terms.

''(5) DATE OF APPOINTMENT.—The initial members shall be appointed not later than 60 days after the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(6) INITIATION.—The Goals Panel may begin to carry out the Goals Panel's duties under this section when 10 members of the Goals Panel have been appointed.

''(7) VACANCIES.—A vacancy on the Goals Panel shall not affect the powers of the Goals Panel, but shall be filled in the same manner as the original appointment.

''(8) TRAVEL.—The members shall not receive compensation for the performance of services for the Goals Panel, but each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for each day the member is engaged in the performance of duties for the Goals Panel away from the home or regular place of business of the member. Notwithstanding section 1342 of title 31, United States Code, the President may accept the voluntary and uncompensated services of members.

''(9) CHAIRPERSON.—

''(A) IN GENERAL.—The members shall select a Chairperson from among the members.

''(B) TERM AND POLITICAL AFFILIATION.—The Chairperson of the Goals Panel shall serve a 1-year term. No 2 consecutive Chairpersons shall be from the same political party.

''(10) CONFLICT OF INTEREST.—A member of the Goals Panel who is an elected official of a State that has developed content or student performance standards may not participate in Goals Panel consideration of such standards.

''(11) EX OFFICIO MEMBER.—If the President has not appointed the Secretary as 1 of the 2 members the President appoints pursuant to paragraph (2)(A), the Secretary shall serve as a nonvoting ex officio member of the Goals Panel.

''(c) DUTIES.—

''(1) IN GENERAL.—The Goals Panel shall—

''(A) report to the President, the Secretary, and Congress regarding the progress the Nation and the States are making toward achieving America's Education Goals, including issuing an annual report;

''(B) report on, and widely disseminate through multiple strategies information pertaining to, promising or effective actions being taken at the Federal, State, and local levels, and in the public and private sectors, to achieve America's Education Goals;

''(C) report on, and widely disseminate information on promising or effective practices pertaining to, the achievement of each of the 8 America's Education Goals; and

''(D) help build a bipartisan consensus for the reforms necessary to achieve America's Education Goals.

''(2) REPORT.—

''(A) IN GENERAL.—The Goals Panel shall annually prepare and submit to the President, the Secretary, the appropriate committees of Congress, and the Governor of each State a report that shall—

''(i) assess the progress of the United States toward achieving America's Education Goals; and

''(ii) identify actions that should be taken by Federal, State, and local governments.

''(B) FORM; DATA.—The reports shall be presented in a form, and include data, that is understandable to parents and the general public.

''(3) EARLY CHILDHOOD ASSESSMENT.—The Goals Panel shall carry out the activities described in section 207 of the Goals 2000: Educate America Act, as in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(d) POWERS.—The Goals Panel shall have the powers described in section 204 of the Goals 2000: Educate America Act, as in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(e) ADMINISTRATION.—The Goals Panel shall comply with the administrative requirements described in section 205 of the Goals 2000: Educate America Act, as in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(f) PERSONNEL.—The Goals Panel shall have the authority relating to a director, employees, experts and consultants, and detailees described in section 206 of the Goals 2000: Educate America Act, as in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.

''(g) DEFINITION.—In this section, the term 'America's Education Goals' means the National Education Goals established under section 102 of the Goals 2000: Educate America Act, as in effect on the day before the date of enactment of the Public Education Reinvestment, Reinvention, and Responsibility Act.''.

TITLE VIII—GENERAL PROVISIONS AND REPEALS

SEC. 801. REPEALS, TRANSFERS, AND REDESIGNATIONS REGARDING TITLE XIV.

(a) IN GENERAL.—The Act (20 U.S.C. 6301 et seq.) is amended—

(1) by inserting after title VII the following:

''TITLE VIII—GENERAL PROVISIONS'';

(2) by repealing sections 14514 and 14603 (20 U.S.C. 8904, 8923);

(3)(A) by transferring title XIV (20 U.S.C. 8801 et seq.) to title VIII and inserting such title after the title heading for title VIII; and

(B) by striking the title heading for title XIV;

(4)(A) by redesignating part H of title VIII (as redesignated by paragraph (3)) as part I of title VIII; and

(B) by redesignating the references to such part H of title VIII as references to part I of title VIII;

(5) by inserting after part G of title VIII the following:

''PART H—SUPPLEMENT, NOT SUPPLANT

''SEC. 8801. SUPPLEMENT, NOT SUPPLANT.

''Funds appropriated pursuant to the authority of this Act shall be used to supplement and not supplant State and local public funds expended to provide activities described in this Act.'';

(6) by redesignating the references to title XIV as references to title VIII;

(7)(A) by redesignating sections 14101 through 14103 (20 U.S.C. 8801, 8803) (as transferred by paragraph (3)) as sections 8101 through 8103, respectively; and

(B) by redesignating the references to such sections 14101 through 14103 as references to sections 8101 through 8103, respectively;

(8)(A) by redesignating sections 14201 through 14206 (20 U.S.C. 8821, 8826) (as transferred by paragraph (3)) as sections 8201 through 8206, respectively; and

(B) by redesignating the references to such sections 14201 through 14206 as references to sections 8201 through 8206, respectively;

(9)(A) by redesignating sections 14301 through 14307 (20 U.S.C. 8851, 8857) (as transferred by paragraph (3)) as sections 8301 through 8307, respectively; and

(B) by redesignating the references to such sections 14301 through 14307 as references to sections 8301 through 8307, respectively;

(10)(A) by redesignating section 14401 (20 U.S.C. 8881) (as transferred by paragraph (3)) as section 8401; and

(B) by redesignating the references to such section 14401 as references to section 8401;

(11)(A) by redesignating sections 14501 through 14513 (20 U.S.C. 8891, 8903) (as transferred by paragraph (3)) as sections 8501 through 8513, respectively; and

(B) by redesignating the references to such sections 14501 through 14513 as references to sections 8501 through 8513, respectively;

(12)(A) by redesignating sections 14601 and 14602 (20 U.S.C. 8921, 8922) (as transferred by paragraph (3)) as sections 8601 and 8602, respectively; and

(B) by redesignating the references to such sections 14601 and 14602 as references to sections 8601 and 8602, respectively;

(13)(A) by redesignating section 14701 (20 U.S.C. 8941) (as transferred by paragraph (3)) as section 8701; and

(B) by redesignating the references to such section 14701 as references to section 8701; and

(14)(A) by redesignating sections 14801 and 14802 (20 U.S.C. 8961, 8962) (as transferred by paragraph (3)) as sections 8901 and 8902, respectively; and

(B) by redesignating the references to such sections 14801 and 14802 as references to sections 8901 and 8902, respectively.

(b) AMENDMENTS.—Title VIII (as so transferred and redesignated) is amended—

(1) in section 8101(10) (as redesignated by subsection (a)(7))—

(A) by striking subparagraphs (C) through (F); and

(B) by adding after subparagraph (B) the following:

''(C) part A of title II;

''(D) part A of title III; and

''(E) title IV.'';

(2) in section 8102 (as redesignated by subsection (a)(7)), by striking ''VIII'' and inserting ''V'';

(3) in section 8201 (as redesignated by subsection (a)(8))—

(A) in subsection (a)(2), by striking '', and administrative funds under section 308(c) of the Goals 2000: Educate America Act''; and

(B) by striking subsection (f);

(4) in section 8203(b) (as redesignated by subsection (a)(8)), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act'';

(5) in section 8204 (as redesignated by subsection (a)(8))—

(A) by striking subsection (b); and

(B) in subsection (a)—

(i) in paragraph (2)—

(I) in the matter preceding subparagraph (A), by striking ''1995'' and inserting ''2002''; and

(II) in subparagraph (B), by inserting ''professional development,'' after ''curriculum development,''; and

(ii) in paragraph (4)—

(I) by striking ''and section 410(b) of the Improving America's Schools Act of 1994'';

(II) by striking ''paragraph (2)'' and inserting ''subsection (a)(2)'';

(III) by striking the following:

''(4) RESULTS.—'' and inserting the following:

''(b) RESULTS.—'';

(IV) by striking the following:

''(A) develop'' and inserting the following:

''(1) develop''; and

(V) by striking the following:

''(B) within'' and inserting the following:

''(2) within'';

(6) in section 8205(a)(1) (as redesignated by subsection (a)(8)), by striking ''part A of title IX'' and inserting ''subpart 1 of part C of title III'';

(7) in section 8206 (as redesignated by subsection (a)(8))—

(A) by striking ''(a) UNNEEDED PROGRAM FUNDS.—''; and

(B) by striking subsection (b);

(8) in section 8302(a)(2) (as redesignated by subsection (a)(9))—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively;

(9) in section 8304(b) (as redesignated by subsection (a)(9)), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act'';

(10) in section 8401 (as redesignated by subsection (a)(10))—

(A) in subsection (a), by striking ''Except as provided in subsection (c),'' and inserting ''Except as provided in subsection (c), and notwithstanding any other provision regarding waivers in this Act,''; and

(B) in subsection (c)(8), by striking ''part C of title X'' and inserting ''part B of title IV'';

(11) in section 8502 (as redesignated by subsection (a)(11)), by striking ''VIII'' and inserting ''V'';

(12) in section 8503(b)(1) (as redesignated by subsection (a)(11))—

(A) by striking subparagraphs (B) through (E); and

(B) by adding at the end the following:

''(B) part A of title II, relating to professional development;

''(C) title III; and

''(D) title VI.'';

(13) in section 8506(d) (as redesignated by subsection (a)(11)), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act'';

(14) in section 8513 (as redesignated by subsection (a)(11)), by striking ''Improving America's Schools Act of 1994'' each place it appears and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act'';

(15) in section 8601 (as redesignated by subsection (a)(12))—

(A) in subsection (b)(3)—

(i) in subparagraph (A), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act''; and

(ii) in subparagraph (B), by striking ''Improving America's Schools Act'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act''; and

(B) in subsection (f), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act''; and

(16) in section 8701(b) (as redesignated by subsection (a)(13))—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in clause (i), by striking ''Improving America's Schools Act of 1994'' and inserting ''Public Education Reinvestment, Reinvention, and Responsibility Act'';

(II) in clause (ii), by striking ''such as initiatives under the Goals 2000: Educate America Act, and'' and inserting ''under''; and

(III) in clause (ii), by striking ''such Acts'' and inserting ''such Act''; and

(ii) in subparagraph (C)(ii), by striking ''the School-to-Work Opportunities Act of 1994, and the Goals 2000: Educate America Act,'' and inserting ''and the School-to-Work Opportunities Act of 1994''; and

(B) in paragraph (3), by striking ''1998'' and inserting ''2005''.

SEC. 802. OTHER REPEALS.

Titles X, XI, XII, and XIII (20 U.S.C. 8001 et seq., 8401 et seq., 8501 et seq., 8601 et seq.) and the Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) are repealed.

Mr. BAYH Mr. President, I am pleased to join with my colleagues Senators LIEBERMAN, LANDRIEU, KOHL, LINCOLN, BREAUX, GRAHAM, FEINSTEIN, CARPER, KERRY, and NELSON in offering the Public Education Reinvestment, Reinvention, and Responsibility Act. It is my hope that our proposal will allow Congress to break the gridlock of the recent past and pursue a two-track strategy in this Congress, working together for the benefit of the American people when we agree, while continuing to disagree on other matters over which consensus cannot be formed.

We introduce our version of the Elementary and Secondary Education Act today in recognition of the fact that for too many millions of American children the promise of a quality public education is a hollow dream. We stand here today in recognition of the fact that the solutions of the 1960s are inadequate to meet the challenges of the 21st Century and the years beyond. We stand here today to say the status quo is not good enough; that we must do better. Congress has an historic opportunity and responsibility to enact the most sweeping education reform since the 1960s to ensure that no child is left behind. The consequences of any of our children not receiving a quality education are far greater than ever before. For the first time in our nation's history, the growing gap between the educational ''haves'' and ''have nots'' threatens to create a permanent underclass. If we do not address these shortcomings, the knowledge and information gap will lock many of our citizens out of the marketplace and prevent them from accessing opportunity in the New Economy.

Our proposal breaks with the sterile orthodoxy of the past, in which too often the left said just spending more money was the answer to the problems facing our schools, and the right said the public schools could not be fixed and, therefore, should be abandoned. Instead, we propose a consensus, a synthesis of ideas reflecting the best of both the right and the left to improve the quality of public education across our country. We propose a substantial increase in our nation's investment in education, because we recognize that we can't expect our schools, particularly our poorer schools, to get the job done if we don't give them the tools to get the job done. We propose an increase of $35 billion over five years in Federal education spending. But we do more than just throw money at the problem, because we know that taxpayers, parents, and most of all our children, have a right to expect more from us. Instead, we focus on accountability. In return for increased investment, we insist upon results. We focus on outcomes, not inputs. No longer will we define success only in terms of how much money is spent, but instead of how much our children learn. Can they read and write, add and subtract, know basic science? No longer will we define accountability in terms of ordering local school districts to spend dollars in particular ways, but instead in terms of whether our children are getting the skills they need to make a successful life for themselves. This is a significant rethinking from the ideas

that have prevailed here in Washington for several decades.

Our proposal also provides a substantial amount of flexibility. We don't agree with the block grants our colleagues on the far right advocate for which would allow money to be diverted from public education or to allow dollars to be diverted from focusing on our poorest students. But we do allow for local principals and superintendents to have a much greater say in determining how best to spend those dollars, because we believe that those at the local level who labor in the classrooms and the schools every day, can make those decisions far better than those of us who now work on the banks of the Potomac.

Finally, our proposal harnesses market forces and embeds them in the public education system to encourage innovation, improvement, and increased accountability without abandoning the public schools and those children who would not do well in a market-based system by going down the path of vouchers. Instead, we support the expansion of public school choice, magnet schools, and charter schools. We believe in the enduring American principle of a quality public education for all of our nation's children—not just the lucky few under a market based system.

It was Thomas Jefferson who said that a society that expects to be both ignorant and free is expecting something that never has been and never shall be. So we put forward this proposal because we know that the cause of improving public education is critically important to our economy, critically important to the kind of society that we will be, and essential to the vibrancy of our democracy itself.

Mr. KOHL. Mr. President, I am proud to again be an original cosponsor of The Public Education Reinvestment, Reinvention, and Responsibility Act of 2000—better known as ''Three R's.'' I have been pleased to work with the education community in Wisconsin, as well as Senators LIEBERMAN, BAYH, and our other cosponsors, on this important piece of legislation.

Perhaps this year, the three ''R's'' should stand for: ''right, right, and right.'' It is the right time to keep promises we all made during the election to make bipartisan education reform our first order of business. It is the right policy to give schools more flexibility but ask for more accountability. And it is the right thing to do to make our students a number one federal priority.

We have come a long way since we started this effort more than a year ago. Unfortunately, in the 106th Congress, we were unable to rise above the usual partisan sniping and have a serious education debate. But last year's fighting has given way to this year's opportunity to do what's right by our children. If we learned anything from the last election, it is that the American people want real education reform—and they want to see results.

None of us would deny that we have made great strides in recent years toward a better public education system. Nearly all States now have academic standards in place. More students are taking more challenging courses. Test scores have risen slightly. Dropout rates have decreased.

In Wisconsin, educators have worked hard to help students achieve. Students are showing continued improvement on State tests in nearly every subject, particularly in science and math and across all groups, including African Americans, the disabled, and the economically disadvantaged.

But despite our best efforts, our public schools still face huge challenges. Too many students do not have the skills they need to compete in the 21st century economy. And the achievement gap between poor and more affluent students remains alarmingly wide.

Mr. President, in the past some have called for reducing or eliminating the Federal role in education. I think that would be a mistake. As a nation, it is in all of our best interests to make sure our children receive the best education possible. It is vital to their future success, and to the success of our country.

But addressing problems in education is going to take more than cosmetic reform. We risk our children's future by defending the tired programs of the past. We need to let go of the partisan bickering and focus on what the American people are focused on: Results.

Results are what the 3 R's bill is about. We make raising student achievement for all students—and eliminating the achievement gap between low-income and more affluent students—our top priorities. To accomplish this, our bill centers around three principles.

First, we believe that we must make a strong investment in education, and we need to target those funds to the neediest schools and students. Since Federal funds make up only 7 percent of all money spent on education, it is essential that we target those funds where they are needed the most.

Second, we believe that States and local school districts are in the best position to know what their educational needs are. The 3 R's give educators more flexibility to decide how they will use Federal dollars to meet those needs.

Finally—and I believe this is the key component of our approach—we believe that in exchange for this increased flexibility, there must be increased accountability.

For too long, we have seen a steady stream of Federal dollars flow to States and school districts—regardless of how well they educated their students. This has to stop. We need to reward schools that do a good job. We need to provide help to schools that are struggling to do a better job. But we need to stop subsidizing failure. Our highest priority must be educating children—not protecting broken systems.

I am pleased that there is an emerging consensus around these core principles of 3 R's. Already, President Bush has expressed interest in pursuing many of these same ideas that our group laid out over a year ago, and I look forward to joining with both parties to get this done.

The Three R's bill is a strong starting point for this debate. This bill—by using the concepts of increased funding, targeting, flexibility—and most importantly, accountability—demonstrates how we can work with our State and local partners to make sure every child receives the highest quality education—and a chance to live a successful, productive life. I look forward to working with both sides of the aisle as Congress debates education reform in the coming months.

Mr. GRAHAM. Mr. President, I am pleased to join my colleagues, Senator LIEBERMAN, Senator BAYH, and others of the Senate New Democrats today in introducing the Three R's bill: the Public Education Reinvestment, Reinvention and Responsibility Act of 2001.

This legislation is important for several reasons:

It re-establishes the education of our children, all our children, as a national priority.

It is a sterling example of ''finding the center.'' We take the best of many ideas, and forge what we hope will be common ground.

It is ''unfinished business'' from last year. The 106th Congress had the responsibility to reauthorize the Elementary and Secondary Authorization Act. We debated for a while, gridlock set in, and all progress ended for the year. By coming forward early in the 107th Congress with a centrist proposal—we hope for a different outcome in 2001.

The concepts in the Three R's are simple, but resonant with teachers, parents and administrators:

More money is needed. State and local governments have the primary responsibility toward funding K–12 education, but the federal government can do more. We offer $35 billion more over the next five years.

Accountability assures that we are getting the most effective use of federal dollars in education. There is strong accountability here. Struggling schools are offered extra help, but then they must show results in student progress. Schools that exceed goals are rewarded.

Flexibility is essential so that each local school district is able to meet specific local needs and challenges. The three R's ensures that federal priorities in education receive a focus, but allow state and local decision makers to implement what they most need.

In the first week of February last year, I hosted a roundtable discussion of parents, teachers and administrators in Tampa, Florida. All of them asked for the same thing: more resources more flexibility, and a focus on results—not procedure. simply put, that's what we try to do here.

My discussion in Tampa also highlighted the urgent need for the federal government's commitment to education.

The latest National Assessment of Educational Progress, NAEP, scores show:

Only 17 percent of 8th graders in Florida score at or above the proficient level in mathematics.

Only 3 percent of African American 8th graders score at or above proficient standards in math.

Only 23 percent of 4th graders are at or above proficient standards in reading.

18 percent of the classes in Florida are taught by instructors who lack a college major in the subject matter that they teach.

The ''achievement gap'' is real. White students in Florida on average score 1001 points on the SAT. African American students, on average, score 856 points. Hispanic students score a 957.

We need to do more to give all Florida's students, and all of our nation's students, the best education possible.

The introduction of this legislation is the first step toward finding the common ground and making the changes that are needed. I look forward to working with each of my colleagues as we focus on this in the 107th Congress.

Mr. KERRY. Mr. President, today I join several of my colleagues to introduce an innovative education reform proposal, the Public Education Reinvestment, Reinvention, and Responsibility Act, or Three R's for short. Three R's aims to help states and districts raise the academic achievement of all children by increasing the federal government's investment in public education, by highly-targeting those resources toward to most economically disadvantaged children, by increasing the flexibility with which states and districts use federal dollars, and by holding schools accountable for results.

I believe that it is past time to break the partisan gridlock in Washington over education reform and to come together around programs, policies, and initiatives that members of both parties can agree are critical to improving education for our neediest children. I am very pleased that President Bush agrees with my colleagues and I on the fundamental principles underlying this legislation—that meaningful education reform requires more resources, more flexibility, and more accountability. I look forward to working with President Bush and my Republican colleagues to reach a bipartisan consensus on education reform. I believe that the Three R's legislation provides a great framework for finding the common ground necessary to reach a consensus.

Bipartisanship means compromise, not capitulation—and education reform is an issue for compromise. We've been pushing for three years for real education reform for our kids—we've been willing to put aside hot button issues—and now I hope that President Bush will join us by putting aside his voucher proposals and working toward meaningful public education reform that both parties can agree on. Both Republicans and Democrats can agree that the federal government should focus on helping states improve academic results for our children instead of developing more rules, on encouraging states and schools to enact bold reforms instead of passively tolerating failure. It is time to step back from mico-managing public education from Washington, and time instead to give states and school districts the flexibility they need to improve public education. And we must hold those schools and states accountable for results.

Members of both parties know that we must increase our investment in public education so that schools can meet high standards, that we must maintain our commitment to the most economically disadvantaged students, that to be successful schools must have capable leaders and fully certified teachers, and that schools must be held accountable for providing children with a quality education.

I have worked on education reform in a bipartisan way in the past. In the last Congress Senator GORDON SMITH and I introduced education reform legislation and were supported by many of our colleagues. Our proposal represented an education reform agenda that members of both parties could support and contained initiatives that many agreed were fundamental to improving public education. The Three R's legislation—a focus on increased investment, increased flexibility, and increased accountability—is also an education reform agenda on which many can agree and I want to reach out in the next few weeks and ask those Republicans, like GORDON SMITH, SUSAN COLLINS, and OLYMPIA SNOWE, to join in this effort to reform education in a bipartisan fashion.

Mr. CARPER. Mr. President, I am very pleased to rise today in support of the Public Education Reinvestment, Reinvention, and Responsibility Act. I want to congratulate my good friends, the Senator from Connecticut and the Senator from Indiana, for their strong leadership on this issue. When they first introduced this legislation back last year, the prospects for bipartisan education reform looked far different than they do today. Members on the two sides of the aisle were sharply divided over the future of the federal role in education. As a result, the Congress failed last year to reauthorize the Elementary and Secondary Education Act for the first time in its 35-year history.

Last year, it took courage and foresight for the supporters of this legislation to step into the partisan breach in the way that they did. This bill received all of 13 votes when it was first brought to the floor. Today, we ought to all be grateful for the leadership of those 13 senators, because this year the Public Education Reinvestment, Reinvention, and Responsibility Act represents the best hope and the best blueprint for finally achieving meaningful, bipartisan reform of the federal role in education.

For the last eight years, I had the great privilege of serving my little State as governor. During that time, I worked together with legislators from both sides of the aisle, with educators and others, to set rigorous standards, to provide local schools with the resources and flexibility they needed, and in return to demand accountability for results. We in Delaware have not been alone in this endeavor. We have been part of a nationwide movement for change—a movement of parents and teachers, of employers, legislators and governors, who believe that our public schools can be improved and that every child can learn.

As a former chairman of the National Governors' Association, I can attest that the Federal Government is frequently a lagging indicator when it comes to responsiveness to change. It is clearly states and local communities that are leading the movement for change in public education today. The bill we introduce today does not seek to make the Federal Government the leader in education reform by micromanaging the operation of local schools. Nor does this legislation seek to perpetuate the status quo in which the Federal Government passively funds and facilitates failure. Rather, this legislation seeks for the first time to make the Federal Government a partner and catalyst in the movement for reform that we see all across this country at the State and local level. This legislation refocuses Federal policy on doing a few things, but doing them well. It redirects Federal policy toward the purpose of achieving results rather than promulgating yet more rules and regulations.

I believe we have a tremendous opportunity this year to achieve bipartisan consensus to reform and reauthorize the Elementary and Secondary Education Act, and in so doing to redeem the original intent of that landmark legislation. I want to express my appreciation to our new President for his interest in renewing educational opportunity in America and leaving no child behind. There is much in the legislation we introduce today that squares with the plan that the President sent to Congress last week. We on this side of the aisle agree with the President that we need to invest more federal dollars in our schools, particularly in schools that serve the neediest students. We also agree that the dollars we provide, we should provide more flexibly. And we agree that if we are going to provide more money, and if we are going to provide that money more flexibly, we should demand results. That's the formula: invest in reform; insist on results.

I believe we also agree with our new President that parents should be empowered to make choices to send their children to a variety of different schools. We agree that parents are the

first enforcers of accountability in public education. Where we disagree is in how we provide that choice. The President believes that the best way to empower parents and to provide them with choices is to give children and their parents vouchers of $1,500. With all due respect, that is an empty promise. In my State, you just can't get your child into most private or parochial schools for $1,500 per year. That is simply an empty promise.

I believe there is a better way. I believe we've found a better way in my little State of Delaware. Four years ago, we introduced statewide public school choice. We also passed our first charter schools law. I knew that this was going to work when I heard the following conversation between a school administrator and some of his colleagues. He said, ''If we don't provide parents and families what they want and need, they'll send their kids somewhere else.'' I thought to myself, ''Right! He's got it.''

We have 200 public schools in my small State, and students in all of these schools take our test measuring what they know and can do in reading, writing, and math. We also measure our schools by the incidence of poverty, from highest to lowest. The school with the highest incidence of poverty in my state is the East Side Charter School in Wilmington, Delaware. The incidence of poverty there is 83 percent. Its students are almost all minority. It is right in the center of the projects in Wilmington. In the first year after East Side Charter School opened its doors, very few of its students met our state standards in math. Last spring, every third grader there who took our math test met or exceeded our standards, which is something that happened at no other school in the state. It's a remarkable story. And it's been possible because East Side Charter School is a remarkable school. Kids can come early and stay late. They have a longer school year. They wear school uniforms. Parents have to sign a contract of mutual responsibility. Teachers are given greater authority to innovate and initiate.

We need to ensure that parents and students are getting what they want and need, and if they're not getting what they want and need that they have the choice—and most importantly that they have they have the ability—to go somewhere else. A $1,500 voucher doesn't give parents that ability, at least not in my State. Public school choice and charter schools do.

We agree on many things. Where we disagree, as on vouchers, I believe we can find common ground. I believe that we can come together, for example, to provide a ''safety valve'' to children in failing schools, in the way of broader public school choice and greater access to charter schools. I am therefore hopeful about the prospects for bipartisan agreement and for meaningful reform. To that end, I urge my colleagues to support the Public Education Reinvestment, Reinvention, and Responsibility Act.

By Mr. HATCH (for himself, Mr. LEAHY, Mr. BIDEN, Mr. DEWINE, and Mr. THURMOND):

S. 304. A bill to reduce illegal drug use and trafficking and to help provide appropriate drug education, prevention, and treatment programs; to the Committee on the Judiciary.

Mr. HATCH. Mr. President, today we are taking an important step in our effort to rid our nation of drug abuse. There has lately developed a bipartisan consensus that realizes that supply reduction needs to be complemented with demand reduction in our fight to combat drugs. Yes, we must continue our vigilant defense of our borders and our streets against those who make their living by manufacturing and selling these harmful substances. And yes, we must sustain our vigorous law enforcement offensive against these merchants of misery. But the time has come to increase the resources we devote to prevent people from using drugs in the first place and to breaking the cycle of addiction for those whose lives are devastated and consumed by these substances. Only through such a balanced approach can we remove the scourge of drugs from our society.

Last session, to stem the maddening increase in methamphetamine manufacturing and trafficking in America, Congress passed and the President signed into law the Methamphetamine Anti-Proliferation Act, a bill which I had authored. It was a balanced bill that provided law enforcement with several needed tools to help turn back the tide of methamphetamine proliferation, and it also contained several significant prevention and treatment provisions. In particular, one of the treatment provisions offered an innovative approach to how drug addicted patients can seek and obtain treatment. As science and medicine continue to make significant strides in developing drugs that promise to make treatment more effective, we must pave the way to ensure that these drugs can be administered in an effective manner, Indeed, this provision did exactly that, by creating a decentralized system of treating heroin addicts with a new generation of anti-addiction medications.

Mr. President, the Drug Education, Prevention and Treatment Act of 2001, which we introduce today, also embodies this balanced approach. While the bill furthers our law enforcement efforts by increasing penalties for those who involve minors in drug crimes and those who use our public lands for drug manufacturing, the bulk of the legislation advances our prevention and treatment efforts. Before detailing some of these measures, I want to thank my partner on the Judiciary Committee, Senator LEAHY, as well as my colleagues Senators BIDEN, DEWINE, and THURMOND for cosponsoring this bill. The effort and expertise they have contributed to this bill have helped make it worthy of the support of every member of this body.

I am extremely pleased that this bipartisan bill has a friend in the new White House. President Bush has indicated on several occasions, and in the plan he unveiled last fall, that he also believes in a comprehensive drug control strategy. He, too, has stressed treatment as an important component in combating juvenile drug abuse. I look forward to working with the President, as well as with Attorney General Ashcroft, as we combat drug abuse in this country in a bipartisan fashion.

This legislation recognizes that we must do more to prevent and treat substance abuse. Such efforts, it is safe to say, will prove well worth it. According to a report recently released by the National Center on Addiction and Substance Abuse at Columbia University in 1998, States spent $81.3 billion—fully 13.1 percent of total state spending—on substance abuse and addiction. Only $3 billion of this, however, was spent on prevention and treatment. The remaining $78 billion was spent, in the words of the study's authors, ''to shovel up the wreckage of substance abuse and addiction.'' Remarkably, these staggering numbers do not even include the amount of federal matching funds that states spend, for example, on Medicaid and welfare, or the spending of local governments—which bear most of the law enforcement burden, or private sector costs such as employee health care, lost productivity, and facility security. The report urges us, as policymakers, to reexamine our priorities and shift our attention to drug prevention and treatment.

This bill does just that, and, I hasten to add, it does so without undermining in any way our commitment to supply reduction. Indeed, this bill, it can be said, ultimately will help to cut supply by reducing the demand for drugs among those who are the most consistent and addicted users.

Whilte this legislation will prove enormously helpful, it is no substitute for what is our most effective tool for preventing drug abuse: good parenting. Demand reduction starts with educating all of America's children about the harmful, destructive nature of drugs, and that education must start at home. According to the 1999 PRIDE survey, students whose parents never or seldom talk to them about drugs are 36.5 percent more likely to use drugs; in contrast, students whose parents talk to them often, or a lot, about drugs are 33.5 percent less likely to use drugs.

Parents need to talk seriously to their children about the risks of drug use before they fall prey to peer pressure or drug dealers who want nothing more than to create new addicts. Parents need to stop deluding themselves into believing that moving to the suburbs, away from the temptations and evils of the inner cities, will prevent

drug dealers from reaching their children. They need to stop thinking that it is always the other family's kid who is using drugs.

Parents, grandparents, priests, pastors, rabbis, teachers, and everyone else involved in a child's life need to take an active role in educating our children about the dangers of drugs. Drug abuse knows no boundaries. It doesn't discriminate on the basis of gender, race, age, or class. It is truly an equal opportunity destroyer. Unless children are prepared with the knowledge and truth of how drugs will ruin their health and future, they are vulnerable to the lies of those who are peddling drugs.

Sadly, studies reveal that many children will never have conversations with their parents about drug use. Some children have parents that are addicted to drugs, some have parents who are imprisoned, and some have parents who just don't understand how vital it is for them to talk to their children about drug use. This fact alone represents one important reason why communities and organizations need to be involved in educating both parent and children about the dangers of drug abuse.

We need effective education and prevention programs in our schools and communities. Even for children blessed with dedicated, concerned parents, these school- and community-based programs are vitally important. Indeed, according to the 1999 PRIDE survey, students who never or seldom join in community activities are 52.6 percent more likely to use drugs. Additionally, students who report never taking part in gangs are 90.8 percent less likely to use drugs. It is clear that the more children hear the truth about what drug abuse and addiction can do to them, the more likely they will turn their backs on drug use and lead productive lives.

To this end, this bill contains significant funding for drug abuse education and prevention programs in our schools and communities. It authorizes grants for school and community-based drug education and prevention programs that have been proven to be effective and research-based. The bill also authorizes funding for the National Institutes of Health to continue its research toward identifying even more effective prevention and treatment programs. Learning how to treat drug addiction effectively is an inextricable component in America's battle to conquer drug abuse.

An additional provision authorizes grants to eligible community-based organizations, including youth-serving organizations, faith-based organizations, and other community groups, to provide after-school or out-of-school programs that include a strong character education component. Another important provision authorizes funding for community-based organizations that provide counseling and mentoring services to children who have a parent or guardian that is incarcerated. We want all who can help to be in a position to help, and these drug education and prevention programs seek to get everyone in all communities involved.

Mr. President, while I am confident these innovative drug education and prevention programs will help reduce the number of children who decide to use drugs, we also need to ensure that those who are addicted receive treatment. This bill authorizes, therefore, sizeable grants to States to provide residential treatment facilities specifically designed to treat drug-addicted juveniles. It is crucial that drug-addicted children receive treatment while they are young before they ruin their lives and grow up to become hard core addicts, which often leads to criminal behavior.

It does without saying that it is important to ensure that violent and repeat offenders are imprisoned and punished for their crimes. However, I believe that there is merit to giving nonviolent offenders, whose crimes are tied directly to their addictions, a chance to enter drug treatment in stead of prison. This bill contains several provisions that will assist States in providing nonviolent, drug-addicted offenders with the opportunity to participate in drug treatment programs in lieu of incarceration.

For example, one provision authorizes the Attorney General to make grants to State and local prosecutors for the purpose of developing, implementing, or expanding drug treatment alternatives to prison programs for nonviolent offenders. These programs are administered by prosecutors who determine which offenders are eligible to participate. All eligible offenders who participate are sentenced to, or placed with, a long-term, drug-free residential substance abuse treatment provider. If, however, the offender does not successfully complete treatment, he or she is required to serve a sentence of imprisonment with respect to the underlying crime.

This program has been administered effectively by certain district attorneys in New York over the last decade. Last session, I worked hard with Senators THURMOND and SCHUMER, to get these very programs authorized so that other State and local prosecutors could benefit from this drug alternative to prison program. I look forward to the continuing support of Senators THURMOND and SCHUMER to ensure that this provision is enacted into law this session.

This bill also reauthorizes the drug court program and authorizes juvenile substance abuse courts, both of which provide continuing judicial supervision over nonviolent offenders with substance abuse problems while allowing them to enter treatment programs as an alternative to prison.

A high percentage of offenders who otherwise don't qualify for participation in alternatives to prison programs, but nonetheless have serious drug addictions, far too often are released from incarceration without ever receiving treatment. To address this issue, this bill authorizes funding to provide drug treatment services to inmates. This funding will go a long way in ensuring safer neighborhoods and a more productive society once drug addicted offenders are released from incarceration.

To further ensure safer neighborhoods, the bill also promotes the successful reintegration of inmates into society by authorizing demonstration projects in the federal and state court systems that incorporate new strategies and programs for alleviating the public safety risk posed by released prisoners. These projects, which establish court-based programs for monitoring the return of offenders into communities, include drug treatment, as well as vocation and basic educational training. Each program uses court sanctions and incentives to encourage positive behavior.

Finally, the bill contains a provision that requires the government to consider, on the same basis as other nongovernmental organizations, faith-based organizations to provide the assistance under all programs authorized by this bill, as long as the program is implemented in a manner consistent with the first amendment. I am aware of some concerns Senators LEAHY and BIDEN may have with this provision relating to the participation of faith-based organizations, and I am committed to working with them in an effort to address their concerns as the legislation moves through the process.

Mr. President, this bill bespeaks a compassionate concern for those who suffer from drug addiction. By passing this bill, we will be telling these people that we have not given up hope for them, especially for our children, that we will offer the means to help them help themselves, and that we will not leave them behind to be preyed upon by those who would make a profit on their misery. Above all, this legislation demonstrates our unwavering commitment to rid our nation of drug abuse. To those who traffic drugs, let there be no mistake about our resolve: we will put you in jail when we catch you, but we will also fight you for the soul of every person you would prey upon. And, in time, we will change them from helpless targets for your poison to productive, responsible members of our society. I invite my colleagues to join us in this effort.

I ask unanimous consent that a section-by-section summary of the bill be printed in the RECORD.

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

DRUG ABUSE EDUCATION, PREVENTION, AND TREATMENT ACT OF 2001—SUMMARY

TITLE I: OFFENSES INVOLVING JUVENILES

Sec. 101. Increased Penalties for Using Minors To Traffic Drugs Across the Border

This section directs the Sentencing Commission to review and amend, if appropriate,

the Sentencing Guidelines with respect to offenses relating to the use of a minor to traffic controlled substances across the border and to consider whether the base offense level for such offenses should be increased to level 20.

Sec. 102. Increased Penalties for Drug Offenses Committed in the Presence of Minors

This section directs the Sentencing Commission to review and amend, if appropriate, the Sentencing Guidelines with respect to offenses relating to drug offenses committed in the line of sight or in the residence of a minor under the age 16. The Sentencing Commission shall consider creating an enhancement of 2 offense levels or 1 additional year (whichever is greater) and 4 offense levels or 2 additional years (whichever is greater) for subsequent offenses.

Sec. 103. Increased Penalties for Using Minors To Distribute Drugs

This section directs the Sentencing Commission to review and amend, if appropriate, the Sentencing Guidelines to provide an appropriate sentencing enhancement for any offense involving the use of minors to distribute drugs.

Sec. 104. Increased Penalties for Distributing Drugs To Minors

21 U.S.C. 859 prohibits the distribution of controlled substances to a person under 21 years old. This section directs the Sentencing Commission to review and amend, if appropriate, the Sentencing Guidelines to provide an appropriate sentencing enhancement for offenses involving the use of minors to distribute drugs.

Sec. 105. Increased Penalties for Distributing Drugs Near Schools

21 U.S.C. 860 prohibits the distribution or manufacture of controlled substances near schools and other places frequented by minors. This section directs the Sentencing Commission to review and amend, if appropriate the Sentencing Guidelines to create a sentencing enhancement for such violations.

Sec. 106. Increased Penalties for Using Federal Property to Manufacture Controlled Substances

This section amends the Controlled Substances Act by doubling the maximum punishment authorized by law for anyone who cultivates or manufactures a controlled substances on any property in whole or in part owned by or leased to the US or any department or agency thereof. This section directs the Sentencing Commission to review and amend, if appropriate, the Sentencing Guidelines to provide an appropriate sentencing enhancement for any offense under 21 U.S.C. 841(b)(5) that occurs on Federal property.

Sec. 107. Clarification of Length of Supervised Release Terms in Controlled Substance Cases

This section clarifies an apparent conflict in the code regarding the length of supervised release in controlled substance cases.

Sec. 108. Supervised Release Period after Conviction for Continuing Criminal Enterprise

Any sentence imposed for violating the continuing criminal enterprise statute shall include a term of supervised release of not less than 10 years, and if there was a prior conviction, of not less than 15 years in addition to the term of imprisonment.

TITLE II: DRUG-FREE PRISONS AND JAILS

Sec. 201. Drug-Free Prisons and Jails Incentive Grants

This section authorizes grants to eligible States and Indian tribes to encourage the establishment and maintenance of drug-free prisons and jails. Eligible drug-free programs shall include: (1) a zero-tolerance policy for drug use or presence in State facilities, including routine sweeps and inspections, random and frequent drug tests, and improved screening for drugs; (2) enforcement of penalties, including prosecution for the introduction, possession, or use of drugs in any prison or jail; (3) implementation of residential drug treatment programs; and (4) drug testing of all inmates upon intake and release from incarceration, as appropriate. Programs may include a system of incentives for prisoners to participate in counter-drug programs such as treatment and to be housed in wings with greater privileges, but incentives may not include the early release of any prisoner convicted of a crime of violence. Authorizes $50 million a year for three years.

Sec. 202. Jail-Based Substance Abuse Treatment Programs

This section authorizes $100 million in additional funding for residential substance abuse treatment programs, outpatient treatment programs, and aftercare treatment services in State and local prisons and jails.

Sec. 203. Mandatory Revocation of Probation and Supervised Release for Failing Drug Tests

This section amends 18 U.S.C. 3565(b) and 3583(g) to provide for mandatory revocation of probation or supervised release if a defendant tests positive for illegal controlled substances more than three times over the span of one year.

Sec. 204. Increased Penalties for Providing an Inmate with a Controlled Substance

This section directs the Sentencing Commission to review and amend, if appropriate, the Sentencing Guidelines with respect to any offense relating to providing a Federal prisoner a Schedule I or II controlled substance and to consider increasing the base offense level for such violations to not less than level 26. The Sentencing Commission shall also consider increasing the base offense level for such offenses by not less than 2 offense levels if the defendant is a law enforcement or correctional officer or employee, or an employee of the DOJ, at the time of the offense.

TITLE III: TREATMENT, EDUCATION, AND PREVENTION

Sec. 301. Prosecution Drug Treatment Alternative to Prison

This section authorizes the Attorney General to make grants to State and local prosecutors for the purpose of developing, implementing, or expanding drug treatment alternatives to prison programs for non-violent offenders. These programs are administered by prosecutors who determine which offenders are eligible to participate. All eligible offenders who participate are sentenced to or placed with a long term, drug free residential substance abuse treatment provider. If the offender does not successfully complete treatment, he is required to serve a sentence of imprisonment with respect to the underlying crime. Authorizes $30 million a year for three years.

Sec. 302. Juvenile Substance Abuse Courts

This section authorizes the Attorney General to make grants to States and local governments to establish programs that continue judicial supervision over non-violent juvenile offenders with substance abuse problems with integrate administration of other sanctions and services, which include: (1) mandatory testing for controlled substances; (2) substance abuse treatment for participants; (3) probation, diversion, or other supervised release involving the possibility of prosecution, confinement, or incarceration based on noncompliance with program requirements; and (4) aftercare services, such as relapse prevention. Authorizes $50 million to be appropriated each year for FY 2002–2004.

Sec. 303. Expansion of Drug Abuse Education and Prevention Efforts

This section allows the Administrator of the Substance Abuse and Mental Health Services Administration (SAMSHA) to make grants to public and nonprofit private entities to carry out school-based programs concerning the dangers of abuse of and addiction to illicit drugs and to carry out community-based abuse and addiction prevention programs that are effective and research-based. The Administrator shall give priority in making grants to rural and urban areas that are experiencing a high rate or rapid increase in abuse, and the amounts awarded may be used to carry out various programs, including school-based and community-based programs that focus on populations that are most at-risk for abuse of or addiction to illicit drugs. Authorizes $100 million to be appropriated for FY 2002 and such sums as necessary for each succeeding FY.

Sec. 304. Funding for Treatment in Rural States and Economically Depressed Communities

This section authorizes $50 million for grants to States to provide treatment facilities in the neediest Rural States and economically depressed communities that have high rates of drug addiction but lack resources to provide adequate treatment.

Sec. 305. Funding for Residential Treatment Centers for Women with Children

This section authorizes $10 million for grants to States to provide residential treatment facilities for methamphetamine, heroin, and other drug addicted women who have minor children. These facilities offer specialized treatment for addicted mothers and allow their children to reside with them in the facility or nearby while treatment is ongoing.

Sec. 306. Drug Treatment for Juveniles

This section authorizes $100 million a year for grants to States to provide residential treatment facilities designed to treat drug addicted juveniles.

Sec. 307. Coordinated Juvenile Services Grants

This section allows existing Juvenile Justice and Delinquency and Prevention funds to be used to make grants to encourage Federal, State, and local agencies (including schools) and private childrens service providers to coordinate the delivery of mental health and/or substance abuse services to children at risk. Such grants leverage limited Federal, State, and community-based adolescent services to help fill the large unmet need for adolescent mental health and substance abuse treatment.

Sec. 308. Expansion of Research

This section authorizes funding for the National Institutes of Health to enter into cooperative agreements to conduct research on drug abuse treatment and prevention and to establish up to 12 new National Drug Abuse Treatment Clinical Trials Network (CTN) centers to develop and test an array of behavioral and pharmacological treatments and to determine the conditions under which novel treatments are successfully adopted by local treatment clinics. Authorizes $76.4 million to be appropriated in 2002 and such sums as are necessary for FY 2003–2005.

Sec. 309. Comprehensive Study By National Academy of Sciences

This section directs the Attorney General to enter into contracts to (1) evaluate the effectiveness of federally funded programs for preventing youth substance abuse; (2) identify federal programs and programs that receive federal funds that contribute to reductions in youth substance abuse; and (3) identify programs that have not achieved their

intended results and to make recommendations on programs that have proven successful and those that should have their funding terminated or reduced because of lack of effectiveness.

Sec. 310. Report on Drug-Testing Technologies

This section directs the National Institute on Standards and Technology to conduct a study of drug-testing technologies to identify and assess the efficacy, accuracy, and usefulness of such technologies.

Sec. 311. Use of National Institutes of Health Substance Abuse Research

This section ensures that the research on alcohol and drug abuse conducted by NIDA is disseminated to treatment practitioners to aid them in the treatment of addicts.

TITLE IV: SCHOOL SAFETY AND CHARACTER EDUCATION

Subtitle A—School Safety

Sec. 401. Alternative Education Demonstration Project Grants

This section authorizes funding for the Attorney General, in consultation with the Secretary of Education, to make grants to State educational agencies or local educational agencies to establish not less than 10 demonstration projects that enable the agencies to develop models and carry out alternative education for at-risk youths. This section authorizes $15 million a year for FY 2002 through 2004.

Sec. 402. Transfer of School Disciplinary Records

This section requires a State that receives federal funds to have a procedure to facilitate the transfer of disciplinary records by local educational agencies to any private or public elementary school or secondary school.

Subtitle B—Character Education

Sec. 411. National Character Achievement Award

This section establishes a National Character Achievement Award for students who distinguish themselves as models of good character.

Sec. 421–424. Preventing Juvenile Delinquency through Character Education

This section authorizes $100 million for the Secretary of HHS, in consultation with the Attorney General, to award grants to eligible community-based organizations, including youth serving organizations, businesses, and other community groups, to provide after school or out of school programs to youth that include a strong character education component. Eligible organizations must have a demonstrated capacity to provide after school or out of school programs to youth. Character education is defined as an organized educational program that works to reinforce core elements of character, including caring, civic virtue and citizenship, justice and fairness, respect, responsibility, and trustworthiness.

Sec. 431–434. Counseling, Training, and Mentoring Children of Prisoners

This section authorizes $25 million for the Attorney General to award grants to community-based organizations providing counseling, training, and mentoring services to America's most at-risk children and youth in low-income and high-crime communities who have a parent or legal guardian that is incarcerated in a Federal, State, or local correctional facility. Such services will include counseling, including drug prevention counseling; academic tutoring, including online computer academic programs that focus on the development and reinforcement of basic skills; technology training; job skills and vocational training; and confidence building mentoring services.

TITLE V: REESTABLISHMENT OF DRUG COURTS

Sec. 501. Reauthorization of Drug Courts

This section reauthorizes the drug court programs that provide continuing judicial supervision over non-violent offenders with substance abuse problems and allow non-violent offenders to enter treatment programs as an alternative to prison. Authorizes $50 million to be appropriated in 2002 and such sums as necessary for 2003–2004.

TITLE VI: PROGRAM FOR SUCCESSFUL REEENTRY OF CRIMINAL OFFENDERS INTO LOCAL COMMUNITIES

Sec. 601–618. Federal Reentry Demonstration Projects

This section authorizes demonstration projects in Federal judicial districts, the District of Columbia, States, and in the Federal Bureau of Prisons using new strategies and emerging technologies that alleviate the public safety risk posed by released prisoners by promoting their successful reintegration into the community. This section also establishes court-based programs to monitor the return of offenders into communities, which include drug treatment and aftercare, mental and medical health treatment, vocational and basic educational training. Each program uses court sanctions and incentives to promote positive behavior and graduated levels of supervision within the community corrections facility to promote community safety.

TITLE VII: ASSISTANCE BY RELIGIOUS ORGANIZATIONS

Sec. 701. Assistance by Religious Organizations

This section provides that the government shall consider, on the same basis as other non-governmental organizations, faith-based organizations to provide the assistance under all programs authorized by this bill, as long as the program is implemented in a manner consistent with the First Amendment.

Mr. LEAHY. Mr. President, today I join with Senator HATCH and Senators BIDEN, DEWINE, and THURMOND to introduce the Drug Abuse Education, Prevention, and Treatment Act of 2001. This bill provides a comprehensive approach to drug treatment, prevention, and enforcement. It is my hope that the innovative programs established by this legislation will assist all of our States in their efforts to address the drug problems that most affect our communities.

No community is immune from the ravages of drug abuse. My own State of Vermont has one of the lowest crime rates in the nation, yet we are experiencing serious troubles because of the abuse of heroin and other drugs. Recent estimates indicate that heroin use in Vermont has doubled in just the past three years, and the number of people seeking drug treatment has risen even more rapidly. The average age of a first-time heroin user dropped from 27 to 17 during the 1990s, signaling a sharp rise in teenage drug abuse. The consequences of this rise have made themselves all too clear over the past months.

On January 3, Christal Jones, a 16-year-old girl from Burlington, was murdered in New York City. According to news reports, she was recruited in Burlington to move to New York and become part of a prostitution ring, and she was motivated by a desire to get money to buy heroin. When she died, drugs were found in her body, although they were not the cause of her death. And Christal Jones' tragedy apparently is not unique as many as a dozen Vermont girls may have been involved in this New York ring. And since her death, others have come forward to say that teenage girls in Burlington are prostituting themselves to get money to buy heroin.

These disturbing reports followed by only a few months a heinous drug-related triple murder in Rutland, Vermont. In that case, 20-year-olds Robert Lee and Donald Fell reportedly spent the night drinking and taking crack cocaine, and then allegedly killed Fell's mother and her friend. Looking to get out of Vermont, they then allegedly carjacked a woman arriving for work at a local supermarket and drove to New York, where they are accused of beating her to death. Such a case surely deserves a strong law enforcement response, and last Thursday the accused were indicted by a federal grand jury for carjacking resulting in death and kidnapping, among other charges.

Such violence is rarely visited upon my State. When it is, a swift law enforcement response is necessary, and we must do what we can to support the efforts of law enforcement to safeguard our communities. But we kid ourselves if we think that law enforcement alone, with ever-increasing penalties, is the answer to the drug problem. Though effective enforcement of our drug laws, particularly to deter involvement of our young people, is a critical component, this is simply insufficient to meet the severe social effects of drug abuse. We need to provide a comprehensive approach to the drug problems of my State and our nation. In Vermont, as the Rutland Daily Herald recently editorialized, on January 26, 2001, ''agencies that treat addictions'' need ''a boost in resources and manpower.'' Those who work to prevent drug abuse from occurring in the first place need our strong support.

I have tried to boost Vermont's anti-drug efforts by working to provide funding for drug prevention, law enforcement, and drug treatment projects. For example, I secured funding for the Vermont Coalition of Teen Centers in last year's Commerce-Justice-State Appropriations bill. These teen centers give adolescent Vermonters recreational alternatives to drug use. I was also able to help provide significant funding for the Vermont Multi-Jurisdictional Drug Task Force, facilitating the ability of law enforcement officials to work together to tackle Vermont's drug problems. In addition, at my request Congress approved substantial funding for Vermont to plan and establish a long-term residential treatment facility for adolescents.

I believe that the bill I introduce today with Senator HATCH will build

upon those important efforts by providing a substantial boost for treatment, law enforcement, and prevention, both in Vermont and across the nation. It contains numerous grant programs to aid States and local communities in their efforts to prevent and treat drug abuse. Of particular interest to the residents of my State, it establishes drug treatment grants for rural States and authorizes money for residential treatment centers for mothers addicted to heroin, methamphetamines, or other drugs.

This legislation also will help States and communities reduce drug use in prisons through testing and treatment, an effort I proposed in the Drug Free Prisons Act I introduced in the last Congress. It will provide funding for programs designed to reduce recidivism through funding drug treatment and other services for former prisoners after release. In addition, this bill will reauthorize drug courts another step I proposed in the Drug Free Prisons Act and create juvenile drug courts.

Finally, the bill directs the Sentencing Commission to review and amend penalties for a number of drug crimes involving children. For example, in addressing circumstances such as those surrounding the death of Christal Jones, the bill instructs the Sentencing Commission to amend its guidelines to provide for any necessary sentencing enhancement for criminals who distribute drugs to minors in order to lure a minor into or keep a minor engaged in prostitution or other criminal activity.

In short, there are programs in this legislation to benefit all Americans whose lives are disrupted by drug abuse in their families and communities. I strongly recommend this bipartisan bill to my colleagues, and hope that we can move quickly to make it law.

As I mentioned earlier, I have worked to provide necessary funding for treatment, prevention, and enforcement efforts in Vermont. Last year, I secured $150,000 for the Vermont Coalition of Teen Centers, $400,000 for the Vermont Drug Task Force, $100,000 for an adolescent treatment facility, two grants worth $500,000 for a balanced and restorative justice project, $1.7 million in Byrne law enforcement grants, two grants worth $560,000 to reduce underage drinking, about $725,000 for Drug Free Communities Support Programs throughout Vermont, and $274,535 for Residential Substance Abuse Treatment, RSAT, programs in the Vermont Corrections Department. In 1999, I worked to procure $270,611 for RSAT programs for Vermont prisons and jails, $75,000 for the Vermont Coalition of Teen Centers and an additional $74,976 for the Essex Teen Center, two grants worth $660,000 to combat underage drinking, and about $172,000 for Drug Free Community Support programs throughout Vermont. And in 1998, I helped secure $249,864 for balanced and restorative justice programs, $274,938 for RSAT programs, $1.9 million in Byrne law enforcement grants, $360,000 to combat drunk driving, and $424,494 in a Safe Kids/Safe Streets grant.

This legislation will provide additional ways that Vermont and other States can benefit from federal assistance to prevent drug abuse and drug-related crime. I would like to describe in more detail some of its most important aspects.

This bill authorizes a wide variety of treatment and prevention programs. Treatment and prevention efforts are often overshadowed by law enforcement needs. Indeed, a recent study by the Center on Addiction and Substance Abuse, CASA, showed that of every dollar States spent on substance abuse and addiction, only four cents went to prevention and treatment. The States and the Federal government have undeniably important law enforcement obligations, but we must do more to balance those obligations with farsighted efforts to prevent drug crimes from happening in the first place.

As I have said, heroin is an increasing problem in Vermont. In other States, methamphetamines or other drugs present a growing challenge. This legislation will help States address their most pressing drug problems, and places a particular emphasis on States that may not have been able to address their treatment and prevention needs in the past. Indeed, among many other provisions, the bill offers funding for rural States like Vermont to establish or enhance treatment centers. It instructs the Director of the Center for Substance Abuse Treatment to make grants to public and nonprofit private entities that provide treatment and are approved by State experts. This will allow the Vermont agencies looking to provide heroin treatment or to prevent heroin abuse in the first place to acquire Federal funding to help in their efforts.

The Drug Abuse Prevention and Treatment Act also authorizes funding for residential treatment centers that treat mothers who are addicted to heroin, methamphetamines, or other drugs. This will help mothers and the children who depend on them to rebuild their lives it will keep families together. And I hope it will help avoid further stories like one that appeared in last Sunday's edition of the Burlington Free Press, in which a young mother told a reporter how heroin ''made it easier for [her] to take care of [her] kids.''

The bill also calls for funding drug treatment programs for juveniles. As the tragic story of Christal Jones and the disturbing reports about other girls in her position have shown, juveniles can see their lives quickly deteriorate under the influence of drugs. This is why I have worked to provide Vermont with funding to establish a long-term residential treatment facility for adolescents. I hope to continue that effort through this bill, in the hope that we may be able to prevent future tragedies.

Our efforts here must include reducing the lure of drugs, and educating our kids and making sure they have recreational alternatives are two key components. In light of that, this bill authorizes grants to carry out school- and community-based prevention and education programs, with priority given to rural and urban areas experiencing drug problems. It provides additional funding for after-school programs. Finally, it authorizes funding for States to establish demonstration projects of alternative education for at-risk youths. These steps should improve the quality and availability of drug education and prevention efforts throughout the United States.

In addition to providing additional funds for treatment and prevention, the bill directs the United States Sentencing Commission to review existing criminal penalties and provide any necessary increases for drug crimes involving juveniles. In particular, the Sentencing Commission must review the current penalties for distributing drugs to minors, using minors to distribute drugs, trafficking near a school, and using Federal property to grow or manufacture controlled substances. I would like to highlight one provision in particular in my comments today.

This bill calls for the Sentencing Commission to amend its guidelines to provide for a specific sentencing enhancement for anyone who distributes drugs to minors in order to lure a minor into or keep a minor engaged in prostitution or other criminal activity. Let me explain why this provision matters. If the law enforcement officials investigating the death of Christal Jones find that the person or people who brought her to New York and prostituted her were giving or selling her heroin to entice her, the punishment should be more severe. This provision will give prosecutors an additional tool to fight such odious conduct.

I would also like to commend the approach taken in the criminal provisions in this legislation. Instead of imposing mandatory minimums, we have invested discretion in the Sentencing Commission to determine appropriate penalties. A 1997 study by the RAND Corporation of mandatory minimum drug sentences found that ''mandatory minimums are not justifiable on the basis of cost-effectiveness at reducing cocaine consumption, cocaine expenditures, or drug-related crime.'' Despite this study and mounting evidence of prison overcrowding, legislators continue to propose additional mandatory minimums. In light of the persistence of that idea, this legislation calls for a new study of the issue, including whether mandatory minimums have a disproportionate impact on any racial or ethnic groups and whether they are an appropriate vehicle to punish nonviolent offenders.

Last year I introduced the Drug Free Prisons Act, which authorized grants to States to facilitate treatment and testing programs in prisons and jails.

This bill provides resources to achieve the same goal. It is critical that our prisons be drug-free, both because lawbreaking within our correctional system is a national embarrassment, and because prisoners who are released while still addicted to drugs are far more likely to commit future crimes than prisoners who are released sober. This bill will provide needed help to address drug abuse in prisons throughout the country. It authorizes $50 million for drug-free prisons and jails bonus grants, allows States to use Residential Substance Abuse Treatment, RSAT, grants to provide services for inmates or former inmates, and reauthorizes funding for substance abuse treatment in Federal prisons.

As Joseph Califano, Jr., the president of CASA and former secretary of Health, Education, and Welfare, told the National Press Club last month: ''The next great opportunity to reduce crime is to provide treatment and training to drug and alcohol abusing prisoners who will return to a life of criminal activity unless they leave prison substance free and, upon release, enter treatment and continuing aftercare.'' This legislation will accomplish both of those goals.

A prior CASA study found that drug and alcohol abuse was implicated in the crimes and incarceration of 80 percent of those currently serving time in America's prisons. This finding shows that we have a prison population that has a history of substance abuse, and will seek out opportunities to continue using drugs while imprisoned. Of course, if prisoners are using drugs in prison, this will create serious behavioral and other problems that corrections officers will have to address, at no small risk to them.

The problem does not end there. The same CASA study shows that inmates who are illegal drug and/or alcohol abusers are the most likely to be repeat offenders. In fact, the study concluded that 61 percent of state prison inmates who have two prior convictions are regular drug users. The strong link between drug use and recidivism cannot be ignored. Prison should provide an opportunity for us to break this cycle and therefore reduce crime. We can do this through a concerted effort to test prisoners for drug use and penalize those who test positive and provide adequate drug treatment so that prisoners can lead productive, non-criminal lives upon their release.

This approach to reducing drug use and addiction in prisons has the support of Jim Walton, Vermont's Commissioner of Public Safety, and John Perry, the Director of Planning for the Vermont Department of Corrections, who work with these issues every day. I have always valued their counsel, as they have first-hand knowledge of the real law enforcement needs in my state. They both feel strongly that the bill will give law enforcement the tools it needs to test and treat offender populations, both in jail and in the community. I hope and expect that this bill will have the same effect across the country.

In addition to providing funding for drug treatment and testing in prisons, this legislation also adopts a proposal made by Senator BIDEN in both this Congress and the last that would provide funding for Federal and State programs designed to ease the transition of criminal offenders back into society after their release. It establishes court-based programs to monitor the return of offenders into communities. These programs include drug treatment and aftercare, mental and medical health treatment, vocational and educational training, life skills instructions, and assistance in obtaining suitable affordable housing. Each program uses court sanctions and incentives to promote positive behavior and graduated levels of supervision within the community corrections facility to promote community safety. I commend Senator BIDEN for his leadership on this program.

The bill also re-establishes the drug courts program and re-authorizes funding for it, as I proposed in last year's Drug Free Prisons Act. The majority repealed the authorization of the drug courts program in the Omnibus Consolidated Rescissions and Appropriations Act of 1996, in an apparent attempt to discredit Democratic programs. In my view, effective programs dealing with drug abuse should not be used as political footballs. That is why the Congress has continued to fund drug courts in every year's appropriations acts. This has been the right decision, and we should undo the repeal.

Drug courts provide the opportunity to deal systematically with nonviolent drug offenders at a substantial savings to taxpayers. Instead of jailing these nonviolent offenders, the courts can order alternative punishments that are mixed with mandatory testing and drug treatment and human services such as education or vocational training. Meanwhile, imprisonment is held out as a stick to ensure good behavior. To qualify for federal assistance, a drug court program must mandate periodic drug testing during any supervised release or probation periods, provide drug abuse treatment for each participant, and hold out the possibility of prosecution, confinement, or incarceration for noncompliance or failure to show satisfactory process. Violent offenders are defined quite broadly, so we can be confident that we are not funding programs that put dangerous people back on the streets.

In addition to reauthorizing drug courts for adults, this legislation authorizes the Attorney General to provide grants to State and local governments to establish juvenile drug courts, extending the drug court model that has shown significant promise in dealing with adult offenders to juveniles. Juvenile drug courts should provide a way to reach out to younger offenders before they turn to a life of crime, helping to save both lives and significant government resources.

Finally, I would like to comment on the inclusion of charitable choice language in this legislation to allow religious groups to compete for grants on the same basis as other groups. Although the language in this bill mirrors language that was passed in the Children's Health Act last year as well as in previous legislation, I have serious reservations about it. I know that many of my colleagues share those reservations.

Charitable choice is going to be a significant issue during this Congress. I would have preferred that we have hearings about charitable choice before including it in this bill, and I made my feelings known to Senator HATCH. I asked him to introduce the bill without the language and consider adding it later if specific language could be crafted for which there was bipartisan support. But Senator HATCH was committed to including this language in the bill as introduced. Let me be clear: its inclusion here does not represent my endorsement. As this legislation is considered by the Committee and the Senate, we need to give considerable thought to the approach taken here. I intend to work with Senator HATCH and the other sponsors of the bill to ensure that the important protections and prohibitions of the First Amendment are fully respected. At the very least, we need to ensure that those who receive federal drug treatment and prevention funds are trained professionals, and that the government funds are not used in any way, directly or indirectly, to support or promote discrimination.

At the same time, I believe that this bill, taken as a whole, will do a great deal of good. While charitable choice language is in this bill today, I have made no commitment to having this charitable choice language in the bill when Congress passes it. My commitment is to help improve drug treatment, prevention, and education throughout the United States.

I ask unanimous consent to print in the RECORD two newspaper articles.

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

[From the Rutland Daily Herald (VT), Jan. 26, 2001]

NOW IS THE TIME

It is time for Vermont lawmakers to take the initiative in pushing for a comprehensive anti-drug program that will respond constructively to the increased use of dangerous drugs in Vermont.

Major drug busts in the Rutland area, as well as a rise in crimes related to drug addiction, have pointed to the heroin problem in the region. City leaders have taken needed steps to bolster efforts by city police to address the problem, and Mayor John Cassarino has offered a tax proposal that would provide necessary funding in the future.

Statewide, the use of heroin has probably doubled in the past three years. The number of Vermonters seeking treatment rose from 164 to 344 in that time. That number doesn't

take into account the users who don't seek treatment.

The Vermont State Police have made a compelling case for boosting manpower, which has eroded substantially in the past eight years. And Gov. Howard Dean has made the fight against heroin one of his priorities.

But so far Dean has not come up with resources for a long-term attack on the problem. The Legislature ought to use this moment to take Dean's initiative further.

Dean is well known for his punitive attitude toward drugs and for his lack of faith in the efficacy of treatment for drug users. But aggressive treatment, combined with aggressive law enforcement, has not been tried. And at this late date in the war on drugs, we ought to realize that law enforcement alone has not done the job.

Law enforcement agencies at the local and state levels can use a boost in resources and manpower. But so can agencies that treat addictions. Effective treatment is labor-intensive and could be made available to people both inside and outside of the state's corrections system.

Mental health workers know that drug addiction is not an easy affliction to cure. Addicts sometimes want no part of treatment. But the state could establish institutions that would respond more effectively to people who need help. Drug courts could establish a regimen of treatment that would expose people in state custody to the kind of help they may never have seen before.

Dean has promised to move quickly to set up clinics for drug treatment, following passage last year of legislation allowing for methadone treatment. But as Dean has often said, methadone alone will not solve the problem. Methadone needs to be part of a larger program of treatment.

As of last week, only two hospitals in Vermont had expressed firm interest in establishing methadone clinics. Rutland Regional Medical Center is waiting to determine what resources will be available and what kind of program the regulations will establish. Health care facilities such as RRMC need to be given the support and the resources to do the job.

Vermont is a small enough state that it could pioneer methods for treating drug problems that go beyond the obvious first step of locking people up. It would be in the state's interest to do so both to prevent the kind of crime and dereliction that is a drain on any community and to rescue Vermonters who succumb to the deathly appeal of drugs.

A package that included both law enforcement and treatment measures might draw bipartisan support. Vermonters are not helpless before the scourge of drug addiction if they have the will to act.

[From the Burlington Free Press (VT), Feb. 7, 2001]

VT. TEEN'S DEATH RULED HOMICIDE

(By Sam Hemingway)

Christal Jean Jones, the 16-year-old Burlington girl found dead in a Bronx apartment Jan. 3, was the victim of a homicide, according to New York City's top medical officer.

''The cause of death was asphyxiation, and the manner of death is homicide,'' Ellen Borakove; spokeswoman for the New York City Medical Examiner's Office, confirmed Tuesday.

The medical examiner relied on police investigation and toxicology tests to reach his conclusion. Borakove said Jones was smothered.

Drugs were found in Jones' body, but Borakove declined to say what the drug was or how it had been administered.

''Whatever substance was found was not a contributing factor in her death,'' Borakove said.

Jones' mother, Kathleen Wright, received the news during an emotional 11:30 a.m. phone call Tuesday from Borakove's office.

''It's just what I expected,'' a weeping Wright said after hanging up the phone. ''She was injected with drugs and then she was killed.''

Local and federal authorities say Jones was part of a prostitution ring operating out of an apartment in the Hunts Point section of the Bronx last fall and this winter. Authorities also say drugs, particularly heroin, were involved.

As many as a dozen Vermont girls, many in the custody of the state Social & Rehabilitation Services department at the time, have been involved, say some of the teens who have traveled to New York, their parents and authorities.

Gov. Howard Dean has ordered an investigation into SRS's handling of the girls' cases.

Jose Rodriguez, a part-time Vermont resident with a criminal record here, is being held on $100,000 bail in a New York City prison because New York officials suspect he might be involved in Jones' death. However, Rodriguez has been in jail since Dec. 11, when he was arrested on two charges of promoting prostitution and one charge of statutory rape involving another Vermont teenager.

At prosecutors' request his initial bail of $10,000 was increased to $100,000.

''Our sympathy goes out the (Jones) family,'' Eric Sachs, Rodriguez's court-appointed attorney, said Tuesday. ''We don't wish that on anybody, especially a young girl.''

He said Rodriguez has cooperated fully with authorities and knows nothing about Christal Jones' death.

''He's in jail. Obviously, we know he didn't do it,'' Sachs said.

When he was told Tuesday that the medical examiner had ruled Jones' death a homicide, Sachs called the District Attorney's Office.

He was assured, he said, ''there is no Christal Jones case, and there is no accusation that my client is involved.''

''Nobody has ever seen him'' in the Zerega Avenue apartment in which Jones was killed, Sachs said. ''It's not his apartment. He has no connection to this apartment. Where these girls live, or don't—he doesn't know.''

However, in the police affidavit outlining the prostitution and rape charges against Rodriguez, New York Police Office Sean Iannucci said the victim said the crimes were committed at the apartment where Jones' body was found.

If convicted, Sachs said, Rodriguez faces a maximum jail term of four years for the rape charge and 15 years for each of two prostitution charges.

Investigators who have interviewed witnesses and some of those involved say Rodriguez was intimately linked to the girls and a prostitution ring.

''I will kill you if you try to leave; I know people in Vermont and New York,'' Rodriguez was said to have told two of the Vermont girls before his arrest. Police also said he beat one of the girls after learning she had tried to call a family member for help.

Since Jones' death, many of those involved have gone into hiding. Some parents of the girls known to frequent New York won't talk. When approached, they crack the door only to say they don't know where their daughters are. Their fear is palpable.

In the Old North End and the King Street area of Burlington, Jones' death—and life—are well known. Local residents are painfully aware of the extent of heroin use and the hold the drug has over their neighbors. They say there is no easy resolution to the problem they have watched reach epidemic propositions in the past five years.

''We've got the demand,'' said Mike Larow, who owns Larow's Market on North Street. ''Everyone seems to be afraid to admit that it's here.''

A federal grand jury in Burlington is reviewing evidence in the case.

Vermont state officials and local police knew of the prostitution ring in the fall, according to a variety of sources. Dean said state officials went to New York and brought back two girls who had been at the apartment where Jones eventually died.

''The only comment is how sad it is that this child has died and how unnecessary,'' SRS Commissioner William Young said Tuesday. ''I think everyone from our local office and throughout the organization takes this kind of news hard.

''We certainly hope whoever is responsible for her death is brought to justice.''

Young said the case pointed out how vulnerable young women are, especially when they abuse drugs. Young said this was the first case that anyone in his agency was aware of in which there was an organized effort to take girls from Vermont to another location to work as prostitutes.

Mr. BIDEN. Mr. President, substance abuse is one of our Nation's most pervasive problems. Addiction is a disease that does not discriminate based on age, gender, socio-economic status, race or creed. And while we tend to stereotype drug abuse as an urban problem, the steadily growing number of heroin and methamphetamine addicts in rural villages and suburban towns shows that is simply not the case.

We have nearly 15 million drug users in this country, four million of whom are hard-core addicts. We all know someone—a family member, neighbor, colleague or friend—who has become addicted to drugs or alcohol. And we are all affected by the undeniable correlation between substance abuse and crime—an overwhelming 80 percent of the two million men and women behind bars today have a history of drug and alcohol abuse or addiction or were arrested for a drug-related crime.

All of this comes at a hefty price. Drug abuse and addiction cost this Nation $110 billion in law enforcement and other criminal justice expenses, medical bills, lost earnings and other costs each year. Illegal drugs are responsible for thousands of deaths each year and for the spread of a number of communicable diseases, including AIDS and Hepatitis C. And a study by The National Center on Addiction and Substance Abuse at Columbia University, CASA, shows that seven out of ten cases of child abuse and neglect are caused or exacerbated by substance abuse and addiction.

Another CASA study released last week revealed that for each dollar that States spend on substance-abuse related programs, 96 cents goes to dealing with the consequences of substance abuse and only four cents to preventing and treating it. Investing more in prevention and treatment is cost-effective because it will decrease much of the street crime, child abuse, domestic violence, and other social ills that can result from substance abuse.

The bill I am introducing today with Senators HATCH, LEAHY, DEWINE and THURMOND authorizes more than $900 million a year for prevention and treatment programs to reduce the criminal justice, health care, and human costs associated with substance abuse.

We know that if someone gets through age 21 without smoking, abusing alcohol, or using drugs, they are unlikely ever to have a substance abuse problem. That is why prevention programs for kids are vital. This bill provides $200 million a year in grants to drug prevention programs like those run by the Boys and Girls Clubs and by law enforcement through the DARE program to get the message out to kids that drugs can ruin their lives.

While there is good news that overall drug use has stabilized among students, there is also bad news—use of Ecstasy by high school seniors has increased more than 66 percent. Prevention programs funded by this Act will get the message out to kids that drugs like Ecstasy are incredibly dangerous—even if their friends or a cover story in the New York Times Magazine might make it seem like it is ''no big deal.'' Studies show that Ecstasy can damage regions of the brain responsible for thought and memory. If that isn't a big deal, I don't know what is.

This bill also authorizes additional funding for drug treatment, which is desperately needed. Every year since 1989, I have published my own drug report, each of which has advocated a three-prong approach to address the drug problem—prevention, treatment and enforcement. I have always urged more money for treatment because it always gets the short end of the stick.

Drug addiction is a chronic relapsing disease. And as with other chronic relapsing diseases—such as diabetes, hypertension and asthma—there is no cure, although a number of treatments can effectively control the disease. According to an article published in the Journal of the American Medical Association in October, the rate of adherence to the treatment program and the relapse rate are similar for drug addiction and other chronic diseases—meaning that treatment for addiction works just as well as treatment for other chronic relapsing diseases.

Unfortunately, only two million of the estimated five million people who need drug treatment are receiving it. The Drug Abuse Education, Prevention and Treatment Act takes steps to close this ''treatment gap'' by targeting drug treatment to rural and economically depressed areas, funding adolescent treatment and residential treatment centers for women with children, and increasing funding for the National Institute on Drug Abuse—whose brilliant scientists conduct 85 percent of the world's research on drug abuse—to conduct clinical trials on new treatments for addiction.

The bill also reauthorizes two key programs created in the 1994 Biden Crime Law that fund prison-based drug treatment in the state and federal systems.

Providing treatment to criminal offenders is not ''soft''; it is smart crime prevention policy as the Key and Crest programs in my home state of Delaware have shown. If we do not treat addicted offenders before they are released, they will return to our streets with the same addiction problem that got them in trouble in the first place, and they are likely to re-offend. This is not my opinion; it is fact. More than 80 percent of inmates with five or more prior convictions have been habitual drug users, compared to approximately 40 percent of first-time offenders. Reauthorizing prison-based treatment programs is a good investment and an important crime prevention initiative.

This legislation would also re-authorize the drug court program, a program I have championed and introduced legislation to reauthorize. The Federal Government has funded drug courts since 1994 as a cost-effective, innovative way to deal with non-violent offenders who need drug treatment. Rather than just churning people through the revolving door of the criminal justice system, drug courts help these folks get their acts together so they won't be back. When they graduate from drug court programs they are clean and sober and more prepared to participate in society. In order to graduate, they are required to finish high school or obtain a GED, hold down a job, and keep up with financial obligations, including drug-court fees and child-support payments.

Drug courts have been proven effective at keeping offenders with little previous treatment history in treatment, providing closer supervision than other community programs to which the offenders could be assigned, reducing crime and being cost-effective.

According to the Department of Justice, drug courts save at least $5,000 per offender each year in prison costs alone. That says nothing of the savings associated with future crime prevention and freeing scarce prison beds for violent criminals. But most important, more than 500 drug-free babies have been born to female drug court participants, a sizable victory for society and the budget alike.

This Act also includes my ''Offender Reentry and Community Safety Act of 2001,'' which creates demonstration programs to oversee the reintegration of high-risk, high-need offenders into society upon release. These individuals have served their prison sentences, but they pose the greatest risk of re-offending because they lack the education, job skills, stable family or living arrangements, and the substance abuse treatment and other mental and medical health services they need to successfully re-integrate into society.

According to the Department of Justice, 1.25 million offenders are now living in prisons and another 600,000 offenders are incarcerated in local jails. A record number of those inmates—nearly 590,000—will return to communities this year. Historically, two-thirds of returning prisoners have been re-arrested for new crimes within three years.

The safety threat posed by this number of prisoner returns has been exacerbated by the fact that states and communities can't possibly properly supervise all their returning offenders. In fact, parole systems have been abolished in thirteen States, and policy shifts toward more determinate sentencing have reduced the courts' authority to impose supervisory conditions on offenders returning to their communities.

The demonstration reentry programs created by this bill would help supervise these people when they are released from jail and make sure they get the mental health, substance abuse and other services they need so that they won't go back to a life of crime and can be productive members of our society.

I believe that the Drug Abuse Education, Prevention and Treatment Act is a good piece of legislation. Strong treatment and prevention programs are a vital part of a comprehensive drug strategy. Forestalling drug abuse and treating it when it occurs is sensible policy in terms of saving money, preventing crime and sparing lives. I urge my colleagues to support this legislation.

By Mr. SMITH of New Hampshire:

S. 305. A bill to amend title 10, United States Code, to remove the reduction in the amount of Survivor Benefit Plan annuities at age 62; to the Committee on Armed Services.

Mr. SMITH of New Hampshire. Mr. President, I am delighted today to rise to discuss President Bush's commitment to strengthening America's national security. I know this is a matter that is very close to the heart of my colleague in the Chair, the Senator from Oklahoma. President Bush often said during the campaign to the military that ''help is on the way.'' It is nice to know that help has arrived.

The President is spending this week traveling to military installations to see and hear, for the first time since assuming office, the needs of the military.

I can tell you, having just come back a few weeks ago from visiting the troops, marines and sailors aboard the U.S.S. *Nassau* in the Mediterranean, that they appreciate it when anybody from the Government comes to visit them where they are on location. Clearly, for the President of the United States to go directly to a military facility and look the troops in the eye and tell them that help is coming says a lot about the President. And believe me, it will do a lot for the morale of the military in this country. He is going to be traveling to additional military installations this week to see and hear just what the needs are as

those needs are addressed by the men and women who serve.

He is committed to address these urgent needs, and specifically pay raises, housing, benefits, and the like. I fully support him in that effort. I believe for the last 8 years our military has suffered.

I might just say it is nice to hear a President talking about strengthening the military. The needs of our military in the last 8 years have not been funded, and our military has been overextended for too many peacekeeping missions for which it was neither trained nor equipped.

In addition to that, oftentimes these missions were conducted without being budgeted, which forced the dollars to come out of the hides of the men and women who serve in terms of readiness and other accounts.

As the Senator in the Chair understands full well, our military readiness is at an all-time low. Planes are not flying for lack of spare parts and numerous accidents. Two Army helicopters crashed yesterday. Ships aren't sailing for lack of fuel. Soldiers aren't training for lack of ammunition.

I remember looking a young marine in the eye aboard the U.S.S. *Nassau* a couple of weeks ago and asking him if he needed anything other than a little more money. He said: Yes, I would like to have that, but I also would appreciate it, Senator, if you could give me some ammunition for this weapon that I need to fire. We don't have even dummy rounds to practice for this particular weapon. He showed me the weapon. I was shocked by that, frankly.

But, again, let me reassure our military that help is on the way. In fact, I think it has arrived.

Like the chairman of the Armed Services Committee, my friend Senator WARNER, I support this effort by the administration to complete a top-to-bottom assessment of the military. I think it is important when we do that assessment to do it on the basis of what the needs are and understand that we are doing it for that reason—to assess the needs—and not to come to some foregone conclusion and then prove it with your top-to-bottom assessment. We need to be sure we are buying the right weapons for the right threats.

The United States has a strong economy and a great open society. Unfortunately, it is the only remaining superpower in the world. That also makes us a target for those who oppose our values of life and our liberties. The world is not a friendly place. We see violence and unrest every night on the news.

I do not know if people realize it, but when you go and talk to the men and women out there, their lives are on the line every day. I stood on the bridge of the U.S.S. *Nassau* in Malta and watched a small Maltese Navy gunboat circling around that ship 24 hours a day to keep guard so that no terrorists could get to that ship. Oftentimes, as we found with the U.S.S. *Cole*, we didn't have that kind of security from the host country.

So weapons of mass destruction—nuclear, chemical, and biological—continue to proliferate around the world into the hands of dictators and demagogues who might, in desperation, choose to oppose us and, worst of all, fall into the hands of terrorists.

We face new threats, such as cyberattacks on our command and control networks and our vulnerable civil infrastructure. Our military needs to think through these new defense challenges and architect the right force for our Nation for the new century. I will give the administration the time it needs to work through these issues as they present a new budget.

As a member of the Emerging Threats Subcommittee and Strategic Forces Subcommittee of the Senate Armed Services Committee, I fully appreciate the challenges that President Bush and Secretary Rumsfeld face as they try to rebuild our military and simultaneously set us on the right course for this new century.

It is not going to be an easy job. There are a lot of needs. We have a lot of ground to make up and a lot of new things to do. In the meantime, like Chairman WARNER, I expect a new administration will be requesting a supplemental. But that is not my decision to make. I am hopeful that will be the case.

There is no better way to understand the needs of our military than to get out of Washington and visit them. As I said, I salute the President for doing that. I went on the U.S.S. *Nassau*, and one of the sailors walked up to me and said: Senator, is there any reason why a member of the United States Navy like me who is an E2 cannot get sea pay? I am serving aboard ship, and everybody from E4 and above gets sea pay, and those of us at E1, E2, and E3 don't.

We are going to take care of that. That matter has already been brought to the attention of the chairman of the Armed Services Committee in the Senate as well as the relevant committees in the House of Representatives.

But it felt good to be back at sea. It felt good to be on board ship. It reminded me of my service aboard the U.S.S. *Navasota* during the Vietnam war. It didn't feel good enough to reenlist, but it was a great time. There were 13 members of the U.S. Navy and Marines on board from New Hampshire. We listened, had lunch, and we talked. They deserve our support. They deserve compensation commensurate with the rest of America.

From E1 to E3—the lowest pay grades in the Navy serving aboard that ship swabbing the decks and doing all the hard work—don't get sea pay, and those E4s and above do. That is wrong. We are going to take care of that.

All of our sailors face the same threat. They deal with the same personal issues while they are away from home and family. They have children to raise. They have things to do that they miss—all kinds of family things they miss while they are away while we ask them to do it. They shouldn't be on food stamps and should have a reasonable salary. They ought to be compensated fairly. We are going to take care of the sea pay with legislation this year so that those E1 and E3 sailors will be compensated.

I appreciate the military's current desire to hold out the prospect of sea pay as a reenlistment bonus. However, these sailors are paying the same price at sea as the senior sailors. To say you can serve your first elected tour of duty and not get it, but if you re-up, we will give to it to you, is simply wrong. We will find another incentive to get them to re-up. I think, frankly, for them to re-up, we should tell them we are going to appreciate you and we are going to pay you sea pay because you are away from your home and family.

In addition to some of the readiness problems and personnel issues we are dealing with now in the military, I think one of the biggest challenges Secretary Rumsfeld is going to face is space and how we utilize space. Of course, Secretary Rumsfeld understands that as well as anybody. He chaired the space commission, so-called, that was created in our Armed Services defense bill. I was proud to be the author of that language. One of the plain reasons is the U.S. economy is so strong that we should use our satellite capabilities to fuel our new information-based science. Satellites support Americans every day. I don't think we realize how important they are. They support our weather, help hunters and boaters navigate; they provide pagers and telephones to communicate with travelers anywhere on the surface of the Earth.

But we cannot stop there, however. We must also keep our promises to those who have already given a lifetime of service to this country.

Just as our soldiers, sailors, and airmen were there for us, protecting us—we must be there for our veterans and military retirees.

Therefore, I am introducing legislation today to eliminate the military survivor's benefit penalty.

Mr. President, this legislation will repeal the existing reduction in the Survivor Benefit Plan spouses currently suffer when they reach the age of 62.

Today, after years of paying heavy premiums for this optional benefit, survivors of military retirees receive 55 percent of their spouses service pay prior to age 62. However, once these spouses reach age 62, their benefits are drastically reduced to only 35 percent. The overwhelming majority of these beneficiaries are women. This reduction in benefits will have a devastating effect on their quality of life.

In addition to eliminating this reduction in benefits which retired military spouses incur when they turn 62,

spouses whose loved one passed away after their 62nd birthday will also receive full 55 percent.

Passage of this important legislation will bring the military Survivor Benefits Plan more in line with other Federal and civil servants employee health plans.

After a lifetime of sacrifice, we owe it to our military retirees to provide them with peace of mind that their spouse will be taken care of after their death.

Mr. President, I ask my colleagues to support our retirees and pass this legislation immediately.

One of the many important defense challenges President Bush and Secretary Rumsfeld face is protecting America's lead in space activities. One of the main reasons the U.S. economy is so strong is our use of satellite capabilities to fuel our new information-based society.

Satellites support Americans every day. For example, they support our weather forecasts, help hunters and boaters navigate, provide pagers and phones that can communicate with travelers anywhere on the surface of the earth, and allow farmers to check on the health of their fields.

Our soldiers, sailors, and airmen also rely on space assets. Accordingly, the utilization of space will also be at the forefront of our national security agenda during this century, and I will work to ensure that America expands its leadership in this military arena.

To help the nation better posture for that future challenge, I authored the provision in the FY2000 Defense Authorization Act that created a commission 2 years ago called the ''Commission to Assess National Security Space Management and Organization,'' more commonly known today as the Space Commission.

Coincidentally, the chairman chosen last year to lead that commission became our new Secretary of Defense—Donald Rumsfeld.

Last month, they finished their work, and I commend Secretary Rumsfeld, the commissioners, and the staff for their outstanding work, and for thoroughly pulling together a great deal of research and data.

The Commission's findings confirm my long-held view of the growing importance of space to the nation and my belief that space management and organization reforms are urgently needed as America's commercial, civil, and military reliance on space assets expands.

The Commission's recommendations lay the foundations for what I have often maintained—military space activities should evolve to the eventual creation of a separate Space Force.

The United States has shown the world the value of space in providing information superiority on the modern battlefield.

As we move into the new century, we need to: Defend our current space-based information superiority; be able to deny our adversaries that same capability (thorough programs I have long supported like KE–SAT and Clementine); and leverage the uniqueness of space to be able to rapidly project military force around the world (thorough programs I have long supported like Space Plane).

We need a strong advocate for space to fight for and justify these new space programs needed for the 21st century in competition with many other pressing military investment requirements.

Near-term management and organization reforms recommended by the Commission will begin to put in place the leadership and advocacy for space programs that have long been lacking.

Another of the many defense challenges President Bush and Secretary Rumsfeld face is protecting America from missile attack.

I salute the administration's commitment to deploying a robust missile defense for this nation. Many Americans don't realize that the United States does not have a defense against a missile attack today.

Meanwhile, for years, Russia has deployed various missile defenses around Moscow and other sites which has been ignored by ABM Treaty proponents. These missiles could carry weapons of mass destruction—a nuclear, chemical, or biological warhead that could wreak havoc on a U.S. city. We have a constitutional responsibility to defend America. Homeland defense from missile attack is essential.

With such a threat hanging over our leader's head, it is impossible to contemplate engaging globally in the best interest of the United States—no President would risk a U.S. city to come to the aid of an ally.

Worst yet, countries like China and North Korea continue to proliferate missile technology to rogue nations.

I am pleased that the President and his Cabinet have been so pro-active in explaining this important issue to our allies.

A U.S. missile defense system, both theater and national is not intended as a threat to any nation. It is intended to defend America, and we have a duty to deploy such a defense.

While I salute the military's efforts to develop a near-term missile-defense capability, I want to work with the administration to ensure we have a robust, multilayered architecture that includes the current land-based concept with sea-, air-, and space-based systems to eliminate this threat to U.S. cities and our deployed forces.

Today, President Bush visited the only NATO facility on U.S. soil at the Joint Forces Command at Norfolk, VA. President Bush watched an allied U.S.-NATO coordinated response to a simulated missile attack.

I understand the President commented ''Pretty exciting technology, and it's only going to get better.'' I agree that this technology is only going to get better. America needs to make a commitment to protect it's citizens from threats that come on a missile, including biological and chemical weapons.

I look forward to working with the new administration, President Bush and Secretary Rumsfeld, to rebuild our military and set the nation on the right course for the new century.

Let me assure the military, help has arrived.

Finally, continuing on the area of missile defense, this is a very important challenge faced by President Bush and Secretary Rumsfeld in protecting the United States. Over the last several years, I have been involved in so many debates on the floor, so many discussions. I know the Senator from Oklahoma has as well. We are trying to save a national missile defense program only to have it put off with some wordsmithing or delay. I salute President Bush's commitment to deploying a robust missile defense for this Nation. It is immoral not to do it.

I also salute, because it was his birthday a few days ago, President Reagan on his 90th birthday for being the visionary he was on this issue. It was Ronald Reagan who really convinced Gorbachev that we could have built that thing 20 years ago when, in fact, we couldn't. Because he convinced Gorbachev that we could and that it might be a threat to him, the Soviet Union essentially folded as the threat that it was to the world in the cold war for so long. Ronald Reagan knew this could be done. He was laughed at, still is to some extent on that issue. But 10, 15, 20 years from now, when we have this thing up and going and it is protecting our troops in the field, protecting our allies and protecting our own homeland, Ronald Reagan will get the credit he deserves so richly for coming up with that visionary promise of a missile defense system.

Russia has deployed various missile defenses around Moscow and other sites which have been ignored by the ABM Treaty proponents. These missiles could carry weapons of mass destruction, nuclear, chemical, and biological, that could wreak havoc on a U.S. city, and we have basically ignored it. We have a constitutional responsibility to defend America.

I can remember seeing little tapes of so-called focus groups where they would ask 15 or 20 people in a room what would happen if another nation, such as China or Iran or Iraq, fired a missile at the United States of America. All of them answered: We would shoot it down. All of them were wrong. We do not have the capability to shoot down such a missile, but we need that capability. We need the capability to shoot it down over the aggressor's homeland, not over ourselves. So that is where this missile defense system is so important.

I hear the criticisms: It won't work; it is too expensive; we don't need it.

The bottom line is, if we can defend America from any missile attack, whether it be accidental or deliberate

or whatever, we need to do it. That is our obligation. We have a constitutional responsibility to defend America. Homeland defense from missile attack is the moral thing to do. With such a threat hanging over our leader's head, it is impossible to contemplate engaging globally in the best interests of the United States. No President should risk a U.S. city to come to the aid of an ally.

And worst yet, China, North Korea, and other nations continue to proliferate missile technology. There is some really shocking documentation, both public as well as classified, that will tell us that this is a serious matter. I am pleased the President and Secretary of Defense and his Cabinet have been so proactive in explaining this important issue to our allies. I understand that Secretary Rumsfeld went to Europe, was very forceful to our allies, saying: You are free nations. You have the right to your views, but our view is we need to protect ourselves and to defend this system and build this system, and we are going to do it.

In closing, I will just say I look forward to working with President Bush, working with my colleagues on the Armed Services Committee to improve our readiness, to improve pay for our military and benefits, to cut all of the excessive operations throughout the world that are not really related to defense and get our military morale back. It is going to be exciting, and I look forward to being a part of it.

I ask unanimous consent to print the text of the legislation in the RECORD.

There being no objection, the bill was ordered printed in the RECORD, as follows:

S. 305

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Military Retirees Survivor Benefits Protection Act of 2001''.

SEC. 2. REPEAL OF REDUCTION IN SBP ANNUITIES AT AGE 62.

(a) COMPUTATION OF ANNUITY FOR A SPOUSE, FORMER SPOUSE, OR CHILD.—Subsection (a) of section 1451 of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''shall be determined as follows:'' and all that follows and inserting the following: ''shall be the amount equal to 55 percent of the base amount.''; and

(2) in paragraph (2), by striking ''shall be determined as follows:'' and all that follows and inserting the following: ''shall be the amount equal to a percentage of the base amount that is less than 55 percent and is determined under subsection (f).''.

(b) ANNUITIES FOR SURVIVORS OF CERTAIN PERSONS DYING DURING A PERIOD OF SPECIAL ELIGIBILITY FOR SBP.—Subsection (c)(1) of such section is amended by striking ''shall be determined as follows:'' and all that follows and inserting the following: ''shall be the amount equal to 55 percent of the retired pay to which the member or former member would have been entitled if the member or former member had been entitled to that pay based upon his years of active service when he died.''.

(c) REPEAL OF REQUIREMENT FOR REDUCTION.—Such section is further amended by striking subsection (d).

(d) REPEAL OF UNNECESSARY SUPPLEMENTAL SBP.—(1) Subchapter III of chapter 73 of title 10, United States Code, is repealed.

(2) The table of contents at the beginning of such chapter is amended by striking the item relating to subchapter III.

SEC. 3. EFFECTIVE DATE.

This Act and the amendments made by section 2 shall take effect on October 1, 2001, and shall apply with respect to months beginning on or after that date.

Mr. KYL. Mr. President, I thank the Senator from New Hampshire for his comments about the need for deployment of a national missile defense. I spoke to that subject this morning, when I talked about Secretary of Defense Donald Rumsfeld's remarks in Munich that were very well received by our allies. They had some concerns about the deployment of a national missile defense by the United States. But after his comments to them, they were very much reassured. While there still isn't the degree of support that we need and that we would like to have among our allies, I believe the consultations now occurring, and those that will occur in the future, primarily led by the Secretary of Defense, will bring our allies to the same conclusions that we have reached; namely, that we need to get on with it and that they can participate in this kind of assistance to the extent they want to as well. I appreciate the comments of the Senator from New Hampshire. I spoke to that issue this morning.

By Mrs. FEINSTEIN:

S. 307. A bill to provide grants to State educational agencies and local educational agencies for the provision of classroom-related technology training for elementary and secondary school teachers; to the Committee on Health, Education, Labor, and Pensions.

Mrs. FEINSTEIN. Mr. President, today Representative LOIS CAPPS and I are introducing legislation to help teachers use technology in their teaching, the Teacher Technology Training Act of 2001.

This bill has three major provisions:

It authorizes $100 million for state education departments to award grants to local public school districts on the basis of need to train teachers in how to use technology in the classroom.

It specifies that grants may be used to strengthen instruction and learning, provide professional development, and pay the costs of teacher training in using technology in the classroom.

It requires the Secretary of Education to evaluate the technology training programs for teachers developed by school districts within three years.

This bill is needed because teachers say they need to learn how to use computers and other technology in their teaching. A 1999 Education Week poll found that 27 percent of teachers have had no training in computers, 31 percent have had one to five hours, and 17 percent have had six to ten hours. This means that 75 percent of teachers have had less than ten hours of training in how to use computers. In a 1999 survey conducted by the U.S. Department of Education, only 23 percent of teachers said they felt ''well prepared'' to integrate educational technology into instruction. ''Most teachers want to learn, but they say it takes time and they need help,'' says Linda Roberts, Director of Educational Technology, U.S. Department of Education.

In many schools, the students know more about how to use computers than the teachers do. In one Kentucky school profiled by Inside Technology Training magazine, the students run the school's computer systems. The article quoted the school district's technology coordinator as saying that the students had ''long surpassed'' what the teachers could do and reported that one student had recently trained twenty teachers on software for Web page construction (''Fast Times at Kentucky High,'' Inside Technology training, June 1998).

In addition to helping teachers teach, technology proficiency is becoming crucial to survival. Most good jobs require experience using computers. Former U.S. Commerce Secretary William M. Daley has said, ''Opportunities are now dependent upon a person's ability to use computers and engage in using the Internet,'' CQ Weekly, ''Digital Haves and Have Nots,'' April 17, 1999.

The economy of California is a case in point as it shifts away from manufacturing and toward higher-skill service and technology industries. Employers are placing a high premium on the computer skills necessary for these positions. Students are better prepared when their teachers are well trained. We cannot educate students for the increasingly technological workplace without trained teachers.

We have made great efforts to make technology available to students in their classrooms. Eighty percent of California's schools have Internet access.

But computers are of little value if people do not know how to use them and in school, they can become diversions or entertainment, instead of learning tools without trained teachers.

If we expect teachers to be effective, we must give them up-to-date skills, knowledge, and tools. This includes training.

By introducing this bill, I am not suggesting that technology is a cure-all for the problems in our schools. Technology is one of many teaching and learning tools. It can bring some efficiencies to learning, for example, providing a new way to do math and spelling drills, making learning to write easier, providing easier access to information that without a computer is time-consuming and cumbersome to obtain.

We expect a great deal from our teachers and students. We must give them the resources they need. This bill is one step.

By Mrs. FEINSTEIN:

S. 308. A bill to award grants for school construction; to the Committee on Health, Education, Labor, and Pensions.

Mrs. FEINSTEIN. Mr. President, today, I am introducing the Excellence in Education Act of 2001.

The purpose of this bill is to 1. reduce the size of schools; 2. reduce the size of classes; and 3. bring accountability to the use of these funds. The bill would create a matching grant program to build new schools to meet the following size requirements:

For kindergarten through 5th grade, not more than 500 students, for grades 6 through 8, not more than 750 students and for grades 9 through 12, not more than 1,500 students.

For kindergarten through grade 6, not more than 20 students per teacher and for grades 7 through 12, not more than 28 students per teacher.

The bill authorizes $1 billion each year for the next five years for the U.S. Department of Education to award grants to local school districts. School districts would have to match federal funds with an equal amount. In addition to making the above reductions, school districts would be required to terminate social promotion, provide remedial education, and require that students be subject to state achievement standards in the core academic curriculum.

This bill will provide a new funding source for school districts or states to match to build new schools and reduce both school size and class size. There is no good estimate of how many schools would be needed to reduce schools and classes to the levels specified in the bill, but we all know that there are too many large schools and large classes in public education today.

The U.S. Department of Education estimates that we need to build 6,000 new schools just to meet enrollment growth projections. This estimate does not take into account the need to cut class and school sizes. Consequently, the need for the funds my bill would authorize is huge.

Why do we need this bill?

First, many of our schools are just too big, especially in urban areas. The ''shopping mall'' high school is all too common. Some schools have as many as 4,000 students. In fact, half of American high school students go to schools that have 1,500 students or more.

Equally serious is the fact that our classes are too big. Even though we have begun to reduce class sizes in the lower grades in California, it still has some of the largest class sizes in the United States.

Studies show that student achievement improves when school and class sizes are reduced. The Oakland, California, school district plans to open 10 new small schools in the next few years. The Oakland tribune explained it like this on October 18, 2000: ''Small schools are viewed as antidotes to huge, factory-like campuses commonplace in America's inner cities. Research has shown that small schools create intimate learning atmospheres for students and teachers.''

The U.S. Department of Education cites studies that list these benefits of small schools: students have a greater sense of belonging; fewer discipline problems occur; crime, violence and gang activity go down; alcohol and tobacco abuse decline; dropout rates fall and graduation rates rise; and student attendance increases.

The American Education Research Association says that the ideal high school size is between 600 and 900 students. Studies show that small schools have higher academic achievement, fewer discipline problems, lower dropout rates, higher levels of student participation, higher graduation rates (The School Administrator, October 1997). The nation's school administrators are calling for smaller, more personalized schools.

A Tennessee study called Project STAR placed 6,500 kindergartners in 330 classes of different sizes. The students stayed in small classes for four years and then returned to larger ones in the fourth grade. The test scores and behavior of students in the smaller classes were better than those of children in the larger classes. A similar 1997 study by Rand found that smaller classes benefit students from low-income families the most.

Teachers say that students in smaller classes pay better attention, ask more questions, and have fewer discipline problems. Smaller schools and smaller classes make a difference, it is clear.

California has some of the largest schools in the country; Los Angeles has some of the largest classes and schools in the world! Here are some examples in the Los Angeles area: Hawaiian Elementary, 1,365 students; South Gate Middle School, 4,442 students; Belmont High School, 4,874 students.

California also has some large classes, even though we have made great progress in reducing teacher-to-pupil ratios in the lower grades. Still today, many middle and high school English and math classes are very large, up to as many as 39 students.

The American public supports increased federal funding for school construction. The Rebuild American Coalition last year found that 82 percent of Americans favor federal spending for school construction, up from 74 percent in a 1998 National Education Association poll.

Every parent knows the importance of a small class in which the teacher can give individualized attention to a student. Every parent knows the importance of the sense of a community that can come with attending a small school. And every parent knows that big schools and big classes can be a stressful learning environment.

I hope my colleagues will join me today in passing this important education reform. I ask unanimous consent that the text of the bill and a summary be printed in the RECORD.

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

S. 308

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Excellence in Education Act of 2001''.

SEC. 2. DEFINITIONS.

In this Act:

(1) CORE CURRICULUM.—The term ''core curriculum'' means curriculum in subjects such as reading and writing, language arts, mathematics, social sciences (including history), and science.

(2) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; SECRETARY.—The terms ''elementary school'', ''local educational agency'', ''secondary school'', and ''Secretary'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(3) PRACTICE OF SOCIAL PROMOTION.—The term ''practice of social promotion'' means a formal or informal practice of promoting a student from the grade for which the determination is made to the next grade when the student fails to meet State achievement standards in the core academic curriculum, unless the practice is consistent with the student's individualized education program under section 614(d) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)).

(4) CONSTRUCTION.—

(A) IN GENERAL.—Subject to subparagraph (B), the term ''construction'' means—

(i) preparation of drawings and specifications for school facilities;

(ii) building new school facilities, or acquiring, remodeling, demolishing, renovating, improving, or repairing facilities to establish new school facilities; and

(iii) inspection and supervision of the construction of new school facilities.

(B) RULE.—An activity described in subparagraph (A) shall be considered to be construction only if the labor standards described in section 439 of the General Education Provisions Act (20 U.S.C. 1232b) are applied with respect to such activity.

(5) SCHOOL FACILITY.—The term ''school facility'' means a public structure suitable for use as a classroom, laboratory, library, media center, or related facility the primary purpose of which is the instruction of public elementary school or secondary school students. The term does not include an athletic stadium or any other structure or facility intended primarily for athletic exhibitions, contests, or games for which admission is charged to the general public.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act $1,000,000,000 for each of the fiscal years 2002 through 2006.

SEC. 4. PROGRAM AUTHORIZED.

The Secretary is authorized to award grants to local educational agencies to enable the local educational agencies to carry out the construction of new public elementary school and secondary school facilities.

SEC. 5. CONDITIONS FOR RECEIVING FUNDS.

In order to receive funds under this Act a local educational agency shall meet the following requirements:

(1) Reduce class and school sizes for public schools served by the local educational agency as follows:

(A) Limit class size to an average student-to-teacher ratio of 20 to 1, in classes serving kindergarten through grade 6 students, in the schools served by the agency.

(B) Limit class size to an average student-to-teacher ratio of 28 to 1, in classes serving grade 7 through grade 12 students, in the schools served by the agency.

(C) Limit the size of public elementary schools and secondary schools served by the agency to—

(i) not more than 500 students in the case of a school serving kindergarten through grade 5 students;

(ii) not more than 750 students in the case of a school serving grade 6 through grade 8 students; and

(iii) not more than 1,500 students in the case of a school serving grade 9 through grade 12 students.

(2) Terminate the practice of social promotion in the public schools served by the agency.

(3) Require that students be subject to State achievement standards in the core curriculum at key transition points, to be determined by the State, for all kindergarten through grade 12 students.

(4) Use tests and other indicators, such as grades and teacher evaluations, to assess student performance in meeting the State achievement standards, which tests shall be valid for the purpose of such assessment.

(5) Provide remedial education for students who fail to meet the State achievement standards, including tutoring, mentoring, summer programs, before-school programs, and after-school programs.

(6) Provide matching funds, with respect to the cost to be incurred in carrying out the activities for which the grant is awarded, from non-Federal sources in an amount equal to the Federal funds provided under the grant.

SEC. 6. APPLICATIONS.

(a) IN GENERAL.—Each local educational agency desiring to receive a grant under this Act shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

(b) CONTENTS.—Each application shall contain—

(1) an assurance that the grant funds will be used in accordance with this Act;

(2) a brief description of the construction to be conducted;

(3) a cost estimate of the activities to be conducted; and

(4) a description of available non-Federal matching funds.

SUMMARY OF THE SCHOOL CONSTRUCTION GRANT BILL, THE EXCELLENCE IN EDUCATION ACT OF 2001

Funds authorized, purpose: Authorizes $5 billion over 5 years ($1 billion each year) for the U.S. Department of Education to award grants to local education agencies to construct new school facilities from fiscal year 2002 to 2006.

Eligibility. Local education agencies as defined in 14101 of the Elementary and Secondary Education Act of 1965 (public schools).

Use of funds: Local education agencies are authorized to use funds to construct new school facilities.

Conditions for receiving funds: As a condition of receiving funds, local education agencies are required to—

Reduce school and class sizes as follows:

Limit class size to: In the elementary grades to an average student-teacher ratio of 20 to one; in grades 7 through 12 to an average student-teacher ratio of 28 to one.

Limit school size to: Elementary schools (K–5): no more than 500 students; Middle schools (6–8): no more than 750 students; High schools (9–12): no more than 1,500 students.

Terminate the practice of social promotion.

Require that students be subject to state academic achievement standards, to be determined by the states, for all K–12 students in the core curriculum, defined as subjects such as reading and writing, language arts, mathematics, social sciences (including history); and science.

Test student achievement in meeting achievement standards periodically for advancement to the next grade, in at least three grades (such as the 4th, 8th and 12th grades), distributed evenly over the course of a student's education.

Provide remedial education for students who fail to meet academic achievement standards, including tutoring, mentoring, summer, before-school and after-school programs.

Provide matching funds from non-Federal sources in an amount equal to the Federal funds provided under the grant.

By Mrs. FEINSTEIN:

S. 309. A bill to amend the Elementary and Secondary Education Act of 1965 to specify the purposes for which funds provided under subpart 1 of part A of title I may be used; to the Committee on Health, Education, Labor, and Pensions.

Mrs. FEINSTEIN. Mr. President, today I am introducing a bill designed to better direct and refocus ESEA Title I funds on academic instruction. The goal of this bill, titled ''The Title I Integrity Act,'' is to target Title I funds on learning and to get ''more for our money'' from the largest Federal elementary-secondary education program.

Title I provides assistance to virtually every school district in the country for services to children attending schools with high concentrations of low-income students, from preschool through high school. It has been the ''anchor'' of Federal assistance to schools, since its origin in 1965. For Fiscal Year 2000, funding for Part A basic grants to school districts is almost $8 billion.

This bill would specify in law how Title I funds can and cannot be used by schools. It seeks to direct Title I funds to uses that improve academic achievement and help students meet state achievement standards.

The bill says that ''a local educational agency shall use funds . . . only to provide academic instruction and services directly related to the instruction of students in preschool through grade 12 to assist eligible children to improve their academic achievement and to meet achievement standards established by the State.''

Permitted uses include these: Interventions and corrective actions to improve student achievement; extending academic instruction beyond the normal school day and year, including summer school; the employment of teachers and other instructional personnel (including employee benefits); instructional services to pre-kindergarten children for the transition to kindergarten; the purchase of instructional resource such as books, materials, computers, and other instructional equipment and wiring to support instructional equipment; development and administration of curriculum, educational materials and assessments; and transportation of students to assist them in improving academic achievement.

Uses explicitly not permitted are these: The purchase or lease of privately-owned facilities; the purchase or provision of facilities maintenance, janitorial, gardening, or landscaping services or the payment of utility costs; the construction of facilities; acquisition of real property; food and refreshments; travel to and attendance at conferences or meetings; and the purchase or lease of vehicles.

Current law on Title I is much too vague. It says, ''A State or local educational agency shall use funds received under this part only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs assisted under this part, and not to supplant such funds.''

The U.S. Department of Education has given states a guidance document that explains how Title I funds can currently be used. Permitted uses are for the following: instructional practices; counseling, mentoring; developing curricula; salaries; employee benefits; renting privately-owned facilities; janitorial services; utilities; mobile vans; training and professional development; equipment; interest on lease purchase agreements; travel and conferences; food and refreshments; insurance for vehicles; parent involvement activities.

Under this guidance document, only two uses are specifically prohibited: (1) construction or acquisition of real property; and (2) payment to parents to attend a meeting or training session or to reimburse a parent for salary lost due to attendance at ''parental involvement'' meeting.

My reason for introducing this bill is this: Our students are not learning; our schools are failing our children. We must use our limited federal dollars for the fundamental purpose of education: to help students learn.

Just this week I learned that a January 2001 study by Education Weekly, titled ''Quality Counts 2001: A Better Balance,'' brought more bad news about California's students. Here's what the report found:

In fourth grade reading, 20 percent of students are proficient and 52 percent are below the basic standard.

In eighth grade reading, 22 percent of students are proficient and 36 percent are below the basic standard.

Comparing California to other states, in how well fourth grade students read, California ranks 36 out of 39 states. In eight grade reading, California ranks 32 out of 36 states.

Nationally, the news is similarly distressing:

U.S. eighth graders are out-performed by their counterparts in math and science from Japan, Korea, Hong Kong and Singapore, Australia and Canada (Third International Math and Science Study, December 5, 2000). The 1999 study showed virtually no improvement for U.S. students over 1995.

American twelfth graders performed in mathematics better than students in only two countries, Cyprus and South Africa.

In writing, 75 percent of U.S. school children cannot compose a well-organized, coherent essay, concluded the National Assessment for Education Progress (NAEP) in September 1999.

While it is difficult to really ascertain exactly ow Title I funds are always being used, we do know of a few examples of uses that raise questions in my mind:

In Alabama, schools ''dipped into Title I to pay the electric bill and for janitorial services.'' Citizens' Commission on Civil Rights.

While most of Title I's $8 billion appear to be spent on instruction, the Los Angeles Times, in a March 12, 2000 editorial, said, ''About half that amount is wasted on unskilled though well-meaning teacher aides, who are often more baby-sitter than instructor.''

Title I has been used ''to pay for everything from playground supervisors and field trips to more time for nurses and counselors.'' San Diego Tribune, March 16, 2000.

California school officials have told my staff that Title I has been used for pay for clerical assistants in school administrative offices, payroll staff, truant officers, schoolyard duty personnel, school bus loading assistants, ''curriculum coordinators,'' ''compliance,'' attending conferences, and home visits.

It is time to put an end to the notion that Title I can be everything to everyone, that it can fund all the services that schools need. Federal funding is only seven percent of total funding for elementary and secondary education and Title I is even a smaller percentage of total support for public schools. We must get the most that we can educationally for our limited dollars.

It is time to better direct Title I funds to the true goal of education: to help students learn. This bill is one step toward that goal.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 309

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Title I Integrity Act of 2001''.

SEC. 2. LIMITATIONS ON FUNDS.

Subpart 1 of part A of title I (20 U.S.C. 6311 et seq.) is amended by inserting after section 1120B (20 U.S.C. 6323) the following:

''SEC. 1120C. LIMITATIONS ON FUNDS.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, a local educational agency shall use funds received under this subpart only to provide academic instruction and services directly related to the instruction of students in preschool through grade 12 to assist eligible children to improve their academic achievement and to meet achievement standards established by the State.

''(b) PERMISSIBLE AND PROHIBITED ACTIVITIES.—In this section, the term 'academic instruction'—

''(1) includes—

''(A) the implementation of instructional interventions and corrective actions to improve student achievement;

''(B) the extension of academic instruction beyond the normal school day and year, including during summer school;

''(C) the employment of teachers and other instructional personnel, including providing teachers and instructional personnel with employee benefits;

''(D) the provision of instructional services to pre-kindergarten children to prepare such children for the transition to kindergarten;

''(E) the purchase of instructional resources, such as books, materials, computers, other instructional equipment, and wiring to support instructional equipment;

''(F) the development and administration of curricula, educational materials, and assessments; and

''(G) the transportation of students to assist the students in improving academic achievement; and

''(2) does not include—

''(A) the purchase or lease of privately owned facilities;

''(B) the purchase or provision of facilities maintenance, gardening, landscaping, or janitorial services, or the payment of utility costs;

''(C) the construction of facilities;

''(D) the acquisition of real property;

''(E) the payment of costs for food and refreshments;

''(F) the payment of travel and attendance costs at conferences or other meetings; or

''(G) the purchase or lease of vehicles.''.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 310. A bill to designate the United States courthouse located at 1 Courthouse Way in Boston, Massachusetts, as the ''John Joseph Moakley United States Courthouse''; to the Committee on Environment and Public Works.

Mr. KENNEDY. Mr. President, it is a privilege to join my colleague, Senator KERRY, in introducing this legislation to name the U.S. courthouse in the city of Boston after a wonderful friend and an outstanding leader, Congressman, JOSEPH MOAKLEY, who announced yesterday that he will not be candidate for re-election next year because of a serious illness that has just been diagnosed.

Congressman MOAKLEY has served Massachusetts and the nation with great honor throughout his long and brilliant career in public service. Like the rest of my colleagues, I'm deeply saddened by JOE'S announcement yesterday.

As dean of our delegation, JOE'S leadership in Congress is invaluable and indispensable for the people of Massachusetts—and the whole nation too. He's a true giant in Congress, and I'm proud to serve with him.

JOE'S has been at the forefront of many great battles of national and international importance. No one is more effective in Congress on the front lines or behind the scenes. He has touched the hearts of all our people, and he's made a remarkable difference in their lives and hopes. He's a voice for the voiceless, and for all those who need our help the most. He champions the cause of hard-working families and the middle class—and all of us are proud to be there with him, on the front-lines in all these battles.

When I look back over the many years that JOE MOAKLEY has served in Congress, I think of the important progress we've achieved—the battles we've waged and won—for decent and affordable health care—for good education, so that more children can have a better start in life and a chance to go to colelge—for better jobs, greater opportunities, fairer wages, and safer working conditions—for a cleaner environment—for equal rights for women and an end to discrimination in the workplace—for civil rights at home and human rights in other lands. And above all, in countless nations around the world, JOE MOAKLEY is renowned for his extraordinary achievement in protecting and defending the fundamental human rights of all the people of El Salvador.

He has fought long and hard and well for funds to rebuild the Central Artery—to build the South Boston Piers Transitway—to clean up Boston Harbor—to modernize the Port of Boston—and to preserve Massachusetts' many historic sites—the old State House, the Old South Meeting House, the USS *Constitution*, Dorchester Heights, and Boston's historic marketplace, Faneuil Hall. JOE MOAKLEY'S efforts to protect and preserve these many sites guarantee that they'll be an important part of our state's history and heritage for many years to come.

And that's only the tip of the iceberg. Few, if any, Members of Congress have done so much for so many for so long.

When the chips are down, JOE MOAKLEY is always there when we need him most. If President Kennedy were here today, we all know what he'd day—he'd call JOE MOAKLEY a true profile in courage.

Thoughout his career, JOE MOAKLEY has worked brilliantly, effectively and tirelessly to promote the highest ideals of public service. He is an outstanding statesman, leader, and legislator. I commend him for his leadership, and I look forward to the early enactment of this legislation as a tribute to a man who has served the city of Boston, Congress, and the country so well.

By Mr. DOMENICI (for himself, Mr. DODD, Mr, COCHRAN, Mr. CLELAND, Mr. FRIST, Mr. KENNEDY, and Mr. HARKIN):

S. 311. A bill to amend the Elementary and Secondary Education Act of 1965 to provide for partnerships in character education: to the Committee on

Health, Education, Labor, and Pensions.

Mr. DOMENICI. Mr. President, this is an issue on which I have been working for 7 years; that is, character education in our schools, both public and private. The bill I sent to the desk has seven cosponsors from both parties. I ask other Senators who are interested in helping at the grassroots level in public schools and private schools, who want to bring Character Counts to their character education in their schools, that they might consider this bill. I would like to speak a little bit about character in our Nation and in our schools.

I rise today with my friend, Senator DODD, who is my principal cosponsor, although we now have Senators FRIST, KENNEDY, HARKIN, CLELAND, and COCHRAN. This bill is called the Strong Character for Strong Schools Act. It is not a very big program, and it does not interfere very much at all with the schools, but it does provide for money to be granted to public school systems, partnerships between State agencies and others, bringing character, or character kind of programs, into the schools.

Last month, I listened with great pleasure to President Bush's inaugural address. He basically ticked off the tenets of good character that underscore American life. The President's speech was clearly a message about character and the importance of character in American daily lives. In his speech, the President touched on many elements of good character. I found it especially telling when the President emphasized the necessity of teaching every child these principles and the duty of every citizen to uphold these very same principles.

I am going to quote a number of people. Let me quote Theodore Roosevelt, one of our great Presidents. He said:

Character, in the long run, is the decisive factor in the life of an individual and of our Nation.

What I have been principally involved in, in our State of New Mexico, is called Character Counts. Six pillars of character are promoted in the schools. Almost all of them use the same six pillars: Trustworthiness, respect, responsibility, fairness, caring, and citizenship.

I would submit that character truly does transcend time as well as religious, cultural, political, and socioeconomic barriers.

I believe President Bush's renewed focus on character sends a wonderful message to Americans, and will help those of us involved in character education reinvigorate our efforts to get communities and schools involved.

I say that because it was not too long ago, during the last Elementary and Secondary Education Act, ESEA, reauthorization, that Senators Nunn, DODD and I included a provision in the bill to fund pilot projects to increase character education.

Since then, the Department of Education has made $25 million in ''seed money'' grants available to 28 States to develop character education programs. Currently, there are 36 States that have either received Federal funding, or have enacted their own laws mandating or encouraging character education.

In New Mexico, over 230,000 kids and nearly 90 percent of our schools participate in some form of character education.

Most of New Mexico utilizes a wonderful character curriculum called ''Character Counts,'' which was established by Michael Josephson, a renowned ethicist from the Josephson Institute in California.

Character Counts emphasizes six pillars of good character: trustworthiness, respect, responsibility, fairness, caring, and citizenship. The point is that teachers like this approach. These six pillars are not based on any particular religion or philosophy. They merely represent the kind of values that everybody can agree are important for our children.

I first learned of Character Counts after reading about it in a nationally syndicated newspaper column. I subsequently, found out that one school in my State had decided to try the program, and that it seemed to be working.

Character Counts started in New Mexico in 1993 at the Bel Air Elementary School in Albuquerque. Bel Air had disciplinary problems, and teachers and the principal were looking for ways to address those problems. One of Bel Air's counselors, Mary Jane Aguilar, along with Don Whatley, a teacher, suggested that the school try a new approach, called Character Counts.

They took the six pillars, with training from the Josephson Institute, and began integrating them into the daily lives of their students. Within 6 months of integrating Character Counts into the daily curriculum at Bel Air, the teachers noticed that disciplinary episodes were fewer and that the students began to treat each other better.

After hearing of the success at Bel Air, I invited the mayor of Albuquerque in 1994 to join me in forming the Character Counts Leadership Council, to bring together community leaders, schools, teachers, parents, and students for the purpose of expanding Character Counts in Albuquerque and throughout the State. And after our initial efforts, I worked to establish Character Counts partnerships in other parts of the State, and the program spread quickly throughout New Mexico.

Since then, I have helped bring Character Counts to over 70 schools and communities in New Mexico. Places like Farmington, Santa Fe, Roswell, Portales, Carlsbad, Silver City, Hobbs and Las Cruces. And in even smaller communities like Espanola, Mountainair, Dexter, Hagerman, Lake Arthur, Artesia, Capitan, Carrizozo, Lovington, Eunice, Jal, Tatum, Alamogordo, Socorro, Deming, and Gallup.

As I travel around New Mexico, in virtually every town I have noticed school billboards with things like: ''The word for the month of May is 'citizenship.' Character Counts!'' It is everywhere in the schools in New Mexico and I am proud to be a part of the program.

Additionally, many of our communities now have adopted Character Counts in afterschool programs like the YMCA, Boys and Girls Clubs, and 4–H. So when kids leave the classroom for after-school activities, they are still being taught how to make decisions based on the six pillars.

I think what we are starting to see in New Mexico is the beginning of the Character Counts Generation—young people entering high school, who are bringing with them the lessons they have learned through Character Counts.

Mr. President, I could go on for quite some time talking about Character Counts in New Mexico. The bottom line is that I believe it is working in New Mexico and other parts of the country.

Consequently, I think we need to encourage more character education by providing a little more seed money for these worthwhile programs.

So today, Senator DODD and I are here to introduce a bill to accomplish just that.

The Strong Character for Strong Schools Act seeks to encourage the creation of character education programs at the State and local level by providing grants to eligible entities.

Grant recipients would use the funding to design and implement character education programs incorporating the following elements: caring, civic virtue and citizenship, justice and fairness, respect, responsibility, trustworthiness, and any other elements developed by the program.

''Eligible entities'' would include partnerships of, one, a State Educational Agency, SEA, and one or more school districts, two, an SEA, one or more school districts, and one or more nonprofit organizations, three, one or more school districts, or, four, a school district and a nonprofit organization. Nonprofit organizations could be institutions of higher education.

The program would be authorized at $50 million for fiscal year 2002 and such sums as may be necessary for each of the four succeeding fiscal years.

I also want to emphasize that our bill does not dictate to States which character education program to implement. Rather, the bill merely provides states general guidelines and allows them to adopt whatever principles or pillars they choose after consultation with their communities.

Hopefully, our renewed effort will bring together even more communities to ensure that character education is a part of every child's life. And with the successful passage of the legislation we

are introducing today, our new Secretary of Education, Rodney Paige, will be in a position to help make these programs a reality.

Thank you and I hope that my colleagues will support this effort.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 311

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Strong Character for Strong Schools Act''.

SEC. 2. PARTNERSHIPS IN CHARACTER EDUCATION PROGRAM.

Section 10103 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8003) is amended to read as follows:

''SEC. 10103. PARTNERSHIPS IN CHARACTER EDUCATION PROGRAM.

''(a) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to award grants to eligible entities for the design and implementation of character education programs that incorporate the elements of character described in subsection (d), as well as other character elements identified by the eligible entities.

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a State educational agency in partnership with 1 or more local educational agencies;

''(B) a State educational agency in partnership with—

''(i) one or more local educational agencies; and

''(ii) one or more nonprofit organizations or entities, including institutions of higher education;

''(C) a local educational agency or consortium of local educational agencies; or

''(D) a local educational agency in partnership with another nonprofit organization or entity, including institutions of higher education.

''(3) DURATION.—Each grant under this section shall be awarded for a period not to exceed 3 years, of which the eligible entity shall not use more than 1 year for planning and program design.

''(4) AMOUNT OF GRANTS FOR STATE EDUCATIONAL AGENCIES.—Subject to the availability of appropriations, the amount of grant made by the Secretary to a State educational agency in a partnership described in subparagraph (A) or (B) of paragraph (2), that submits an application under subsection (b) and that meets such requirements as the Secretary may establish under this section, shall not be less than $500,000.

''(b) APPLICATIONS.—

''(1) REQUIREMENT.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

''(2) CONTENTS OF APPLICATION.—Each application submitted under this section shall include—

''(A) a description of any partnerships or collaborative efforts among the organizations and entities of the eligible entity;

''(B) a description of the goals and objectives of the program proposed by the eligible entity;

''(C) a description of activities that will be pursued and how those activities will contribute to meeting the goals and objectives described in subparagraph (B), including—

''(i) how parents, students (including students with physical and mental disabilities), and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program and how the eligible entity will work with the larger community to increase the reach and promise of the program;

''(ii) curriculum and instructional practices that will be used or developed;

''(iii) methods of teacher training and parent education that will be used or developed; and

''(iv) how the program will be linked to other efforts in the schools to improve student performance;

''(D) in the case of an eligible entity that is a State educational agency—

''(i) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs; and

''(ii) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing character education programs;

''(E) a description of how the eligible entity will evaluate the success of its program—

''(i) based on the goals and objectives described in subparagraph (B); and

''(ii) in cooperation with the national evaluation conducted pursuant to subsection (c)(2)(B)(iii);

''(F) an assurance that the eligible entity annually will provide to the Secretary such information as may be required to determine the effectiveness of the program; and

''(G) any other information that the Secretary may require.

''(c) EVALUATION AND PROGRAM DEVELOPMENT.—

''(1) EVALUATION AND REPORTING.—

''(A) STATE AND LOCAL REPORTING AND EVALUATION.—Each eligible entity receiving a grant under this section shall submit to the Secretary a comprehensive evaluation of the program assisted under this section, including the impact on students (including students with physical and mental disabilities), teachers, administrators, parents, and others—

''(i) by the second year of the program; and

''(ii) not later than 1 year after completion of the grant period.

''(B) CONTRACTS FOR EVALUATION.—Each eligible entity receiving a grant under this section may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating its program and measuring the success of the program toward fostering in students the elements of character described in subsection (d).

''(2) NATIONAL RESEARCH, DISSEMINATION, AND EVALUATION.—

''(A) IN GENERAL.—The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, tribal organizations, or other public or private agencies or organizations to carry out research, development, dissemination, technical assistance, and evaluation activities that support or inform State and local character education programs. The Secretary shall reserve not more than 5 percent of the funds made available under this section to carry out this paragraph.

''(B) USES.—Funds made available under subparagraph (A) may be used—

''(i) to conduct research and development activities that focus on matters such as—

''(I) the effectiveness of instructional models for all students, including students with physical and mental disabilities;

''(II) materials and curricula that can be used by programs in character education;

''(III) models of professional development in character education; and

''(IV) the development of measures of effectiveness for character education programs which may include the factors described in paragraph (3);

''(ii) to provide technical assistance to State and local programs, particularly on matters of program evaluation;

''(iii) to conduct a national evaluation of State and local programs receiving funding under this section; and

''(iv) to compile and disseminate, through various approaches (such as a national clearinghouse)—

''(I) information on model character education programs;

''(II) character education materials and curricula;

''(III) research findings in the area of character education and character development; and

''(IV) any other information that will be useful to character education program participants, educators, parents, administrators, and others nationwide.

''(C) PRIORITY.—In carrying out national activities under this paragraph related to development, dissemination, and technical assistance, the Secretary shall seek to enter into partnerships with national, nonprofit character education organizations with expertise and successful experience in implementing local character education programs that have had an effective impact on schools, students (including students with disabilities), and teachers.

''(3) FACTORS.—Factors which may be considered in evaluating the success of programs funded under this section may include—

''(A) discipline issues;

''(B) student performance;

''(C) participation in extracurricular activities;

''(D) parental and community involvement;

''(E) faculty and administration involvement;

''(F) student and staff morale; and

''(G) overall improvements in school climate for all students, including students with physical and mental disabilities.

''(d) ELEMENTS OF CHARACTER.—

''(1) IN GENERAL.—Each eligible entity desiring funding under this section shall develop character education programs that incorporate the following elements of character:

''(A) Caring.

''(B) Civic virtue and citizenship.

''(C) Justice and fairness.

''(D) Respect.

''(E) Responsibility.

''(F) Trustworthiness.

''(G) Any other elements deemed appropriate by the members of the eligible entity.

''(2) ADDITIONAL ELEMENTS OF CHARACTER.—An eligible entity participating under this section may, after consultation with schools and communities served by the eligible entity, define additional elements of character that the eligible entity determines to be important to the schools and communities served by the eligible entity.

''(e) USE OF FUNDS BY STATE EDUCATIONAL AGENCY RECIPIENTS.—Of the total funds received in any fiscal year under this section by an eligible entity that is a State educational agency—

''(1) not more than 10 percent of such funds may be used for administrative purposes; and

''(2) the remainder of such funds may be used for—

''(A) collaborative initiatives with and between local educational agencies and schools;

''(B) the preparation or purchase of materials, and teacher training;

''(C) grants to local educational agencies, schools, or institutions of higher education; and

''(D) technical assistance and evaluation.

''(f) SELECTION OF GRANTEES.—

''(1) CRITERIA.—The Secretary shall select, through peer review, eligible entities to receive grants under this section on the basis of the quality of the applications submitted under subsection (b), taking into consideration such factors as—

''(A) the quality of the activities proposed to be conducted;

''(B) the extent to which the program fosters in students the elements of character described in subsection (d) and the potential for improved student performance;

''(C) the extent and ongoing nature of parental, student, and community involvement;

''(D) the quality of the plan for measuring and assessing success; and

''(E) the likelihood that the goals of the program will be realistically achieved.

''(2) DIVERSITY OF PROJECTS.—The Secretary shall approve applications under this section in a manner that ensures, to the extent practicable, that programs assisted under this section—

''(A) serve different areas of the Nation, including urban, suburban, and rural areas; and

''(B) serve schools that serve minorities, Native Americans, students of limited-English proficiency, disadvantaged students, and students with disabilities.

''(g) PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.—Grantees under this section shall provide, to the extent feasible and appropriate, for the participation of students and teachers in private elementary and secondary schools in programs and activities under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, before the Senator from New Mexico leaves the floor, I ask permission to join as a cosponsor of this most important legislation. It appears to be bipartisan. We have the two leading Democrats on the Education Committee plus Republicans. It should be a bill that we can pass.

Mr. DOMENICI. I am grateful that the distinguished minority whip would join. We will be working together on this bill. I thank the Senator.

Mr. DODD. Mr. President, I rise to join my friend and colleague from New Mexico, Senator DOMENICI, in introducing the Strong Character for Strong Schools Act. Senator DOMENICI and I have worked together for many years on this important issue. We established the Partnerships in Character Education Pilot Project in 1994 and have worked regularly since then to commemorate National Character Counts Week. So, I am pleased that today we are introducing the Strong Character for Strong Schools Act to help expand States' and schools' ability to make character education a central part of every child's education.

Our schools may be built with the bricks of English, math and science, but character education certainly is the mortar. This initiative ensures that our children's character, as well as their minds, receives care and nurturing in our schools. Character education means teaching students about such qualities as caring, citizenship, fairness, respect, responsibility, trustworthiness, and other qualities that their community values.

Character education provides students a context within which to learn. If we view education simply as the imparting of knowledge to our children, then we will not only miss an opportunity, but will jeopardize our future. Character education isn't a separate subject, but part of a seamless garment of learning. For example, at Waterford High School, in Connecticut, as part of the character education program, math students designed a ramp for kids who use wheelchairs. The students learned about math, but also about caring.

Theodore Roosevelt said that ''[t]o educate a person's mind and not his character is to educate a menace.'' That may be, but I prefer Dr. Martin Luther King's exhortation that we judge each other not by the color of our skin, but by the content of our character.

A recent survey of high school students by the Character Counts Coalition found that during the preceding year, 71 percent cheated on an exam; 92 percent lied to their parents and 78 percent lied to a teacher; about 35 percent had stolen from a store; and 16 percent were drunk in school. This doesn't mean that these are bad kids, but it does mean that we need more character education.

We know that these programs work. Schools across the country that have adopted strong character education programs report better student performance, fewer discipline problems, and increased student involvement with the community. Children want direction—they want to be taught right from wrong. The American public wants character education in our schools, too. Studies show that about 90 percent of Americans support schools teaching character education.

Virtually all national education organizations are involved in promoting character education. Last June, the Connecticut Department of Education, on behalf of many State organizations, issued a Call to Action letter, outlining a program to improve the school climate in all Connecticut schools. And, the Connecticut Education Association has developed its own character education program that teaches kids about not bullying and other behaviors that can disrupt schools and make it difficult for children to learn.

As all education policy should be, character education is bi-partisan. When Senator DOMENICI and I introduced a resolution last Congress establishing National Character Counts Week, we had 57 co-sponsors, with broad support in both parties. And President Bush, in his education plan, calls for increased funding for character education.

Our children may be one-quarter of our population, but they definitely are 100 percent of our future. That's why this measure is so important—it provides a helping hand to our schools and communities to ensure that children's futures are bright and filled with opportunities and success. So, I am confident that not only are we doing the right thing here, but that we will see this bill become law along with other education reforms, this Congress.

Mr. CLELAND. Mr. President, when I was a boy growing up in Lithonia, GA, I was privileged to have accomplished and dedicated teachers who provided me with a strong foundation in the three R's. Thanks to their capable and committed efforts, I received an excellent education in reading, writing, and arithmetic. And thanks to their good example and their ability to teach through inspiration, I was also well versed in the fourth R, which I call ''respect.''

What my teachers demonstrated so effectively almost five decades ago is that character education is essential to any well-rounded system of education. We can work together to help ensure that all children in America will start school ready to learn. We can pool our efforts—parents, teachers, community leaders, and elected officials—to enable our students to be first in the world in scientific and academic achievement. But I believe the greatest gift and most effective tool we can give to our children is to instill in them, from the beginning, the values and beliefs which help mold their character. Character is the essential building block in each youngster's journey to become a responsible, moral adult. It is the gift my teachers gave me when they offered me a first-rate education which addressed not only matters of the head, but of the heart as well.

Thanks, in part, to the efforts of my distinguished colleagues, Senators DOMENICI and DODD, character education has spread into thousands of classrooms throughout this nation. In 1994, Senator DOMENICI with the support of Senators DODD and MIKULSKI offered a successful amendment to the Improving America's Schools Act which established, for the first time ever, a grant program in the Department of Education to enable State education agencies, in partnership with local education agencies, to develop character education programs. My State of Georgia was one of the first to receive funding under the Partnerships in Character Education Pilot Projects. Since its inception in 1995, this program has awarded more than $25 million to 37 States throughout the country. I am proud to join my colleagues today in introducing legislation to expand this worthy program which encourages schools and communities to develop and sustain character education programs of excellence.

It has been said that the character of a nation is only as strong as the character of its individual citizens. In illustration of this truth, I like to tell a true story which happened decades ago during the war in Korea. At that time, one of our generals was captured by the Communists. He was taken to an isolated prison camp and told that he had but a few minutes to write a letter to his family. The implication was that he was to be executed shortly. The general's letter was brief and to the point: ''Tell Bill,'' he wrote, ''the word is integrity.''

The word is indeed integrity. This following Monday, Presidents' Day, I will host a Summit on Character at the State Capitol in Georgia, which will be attended by State leaders from across the political and social spectrum. The purpose of the Summit is to rekindle the American spirit that motivated the Founders in constituting our nation and to inspire Georgians to develop the highest standards of character in themselves and in the youth of our State. Benjamin Franklin once said that ''The noblest question in the world is, What good may I do in it?'' The Character Summit in Georgia has this in common with the legislation we are introducing today: They both seek to encourage moral character and civic virtue in our children—America's most precious resource and the future of this great Nation.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. ROBERTS, Mr. CONRAD, Mr. BROWNBACK, Mrs. LINCOLN, Mr. BURNS, Mr. CRAIG, Mr. LUGAR, Mr. ENZI, Mr. NELSON of Nebraska, and Mr. STEVENS):

S. 312. A bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers and fishermen, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. ROBERTS, Mrs. HUTCHISON, Mr. BURNS, Mr. BREAUX, Mr. HATCH, Mr. CRAIG, Mr. ALLARD, Mr. LUGAR, Mr. GRAMM, Mr. HAGEL, Mr. BUNNING, Mr. DEWINE, Mr. BOND, Mr. FITZGERALD, Mr. CONRAD, Mr. MURKOWSKI, Mr. STEVENS, Mr. KYL, Mr. BROWNBACK, and Mr. SESSIONS).

S. 313. A bill to amend the Internal Revenue Code of 1986 to provide for Farm, Fishing, and Ranch Risk Management Accounts, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY:

S. 314. A bill to amend the Internal Revenue Code of 1986 to provide declaratory judgement relief for section 521 cooperatives; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I would like to discuss legislation I'm offering today on behalf of myself and Senators BAUCUS, BROWNBACK, BURNS, LUGAR, ROBERTS, CRAIG, ENZI, and NELSON from Nebraska this afternoon. It will assist millions of farmers across the nation. I've named the bill the Tax Empowerment and Relief for Farmers and Fishermen Act, or what I will refer to as TERFF.

I'm a farmer, like my father was before me. I understand farming and how policy decisions from Washington impact hardworking farmers, like my son Robin. Before I ran for elected office and after I leave, God willing, I'll still be farming. There is little that I feel more strongly about than providing the agriculture community potential to survive and thrive. As far as I'm concerned, agriculture is my ''terf'' and as long as I'm in this town, I'll do all I can to serve my friends and neighbors in the agriculture community.

This legislation has already been adopted by the Senate multiple times. In the midst of a serious downturn in the agriculture economy, it seems to me we ought to be doing everything we can to help farmers, and this would provide significant assistance.

For example, my agriculture tax package will include:

The Farm, Fish, and Ranch Risk Management Accounts—these farmer saving accounts would allow farmers to contribute up to 20 percent of their income in an account, and deduct it in the same year. Farm accounts would be a very important risk management tool that will help farmers put away money when there's actual income, so that, in the bad times, there will be a safety net. This measure has strong bipartisan support and was actually sent to President Clinton, who vetoed it.

Farmers who participate in the Conservation Reserve Program CRP, are unnecessarily struggling during tax season because of a recent case pushed by the IRS. The latest 6th Circuit court's ruling treats CRP payments as farm income subject to the additional self employment tax rate of 15 percent.

Senator BROWNBACK has taken the lead on fixing this problem. This unfair tax not only ignores the intent of Congress in creating the CRP, it discourages farmers from using environmentally pro-active measures. At a time when farmers are struggling to regain their footing economically and do the right thing environmentally—it's important that Congress support them by upholding it promise on CRP.

Senator LUGAR has led the effort to expand the current program where companies can donate to food banks, so that farmers and restaurants can also donate surplus food directly to needy food banks. This will be a win for the farmers and a big win for people who depend on food bank assistance.

This was also part of the vetoed tax bill. When we passed income averaging for farmers a few years ago, we neglected to take into account the problem of running into the alternative minimum tax, which many farmers are facing now. My bill will fix this growing problem.

My bill expands opportunities for beginning farmers who are in need of low interest rate loans for capital purchases of farmland and equipment.

Current law permits state authorities to issue tax exempt bonds and to lend the proceeds from the sale of the bonds to beginning farmers and ranchers to finance the cost of acquiring land, buildings and equipment used in a farm or ranch operation.

Unfortunately, aggie bonds are subjected to a volume cap and must compete with big industrial projects for bond allocation. Aggie bonds share few similarities to industrial revenue bonds and should not be subjected to the volume cap established for industrial revenue bonds.

Insufficient allocation of funding due to the volume cap limits the effectiveness of this program. We can't stand by and allow the next generation of farmers to lose an opportunity to participate in farming because of competition with industry for reduced interest loan rates.

Recently the IRS determined that some cooperatives should be exposed to a regular corporate tax due to the fact that they are using organic value-added practices rather than manufactured value-added practices. This is unfair, and needs to be fixed.

And of course my package wouldn't be complete without a provision leveling the playing field for ethanol producers.

The Small Ethanol Producer Credit will allow small cooperative producers of ethanol to be able to receive the same tax benefits as large companies. This provision provides cooperatives the ability to elect to pass through small ethanol producer credits to its patrons.

The ''TERFF'' package will do more to reform taxes for the American farmer than any other measure in recent memory. I'll be urging my colleagues to strongly support this measure. It's a bill that should have the unanimous support it enjoyed last congress on the Senate floor. As sure as I'm chairman of the Finance Committee, I will push to have this package passed into law during the 107th Congress. Mr. President, I ask unanimous consent that the text of these three bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 312

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Empowerment and Relief for Farmers and Fishermen (TERFF) Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

SEC. 2. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following new section:

"SEC. 468C. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm, Fishing, and Ranch Risk Management Account (hereinafter referred to as the 'FFARRM Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

''(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) ELIGIBLE FARMING BUSINESS.—The term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(2) COMMERCIAL FISHING.—The term 'commercial fishing' has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FFARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FFARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (B) or (C) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''.

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following new paragraph:

''(4) a FFARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following new subsection:

''(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''.

(3) The section heading for section 4973 is amended to read as follows:

"SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.".

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following new item:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''.

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.''.

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) a FFARRM Account described in section 468C(d),''.

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) section 468C(g) (relating to FFARRM Accounts),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following new item:

''Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 3. WRITTEN AGREEMENT RELATING TO EXCLUSION OF CERTAIN FARM RENTAL INCOME FROM NET EARNINGS FROM SELF-EMPLOYMENT.

(a) INTERNAL REVENUE CODE.—Section 1402(a)(1)(A) (relating to net earnings from self-employment) is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(b) SOCIAL SECURITY ACT.—Section 211(a)(1)(A) of the Social Security Act is amended by striking ''an arrangement'' and inserting ''a lease agreement''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 4. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2001.

SEC. 5. EXEMPTION OF AGRICULTURAL BONDS FROM STATE VOLUME CAP.

(a) IN GENERAL.—Section 146(g) (relating to exception for certain bonds) is amended by striking ''and'' at the end of paragraph (3), by striking the period at the end of paragraph (4) and inserting '', and'', and by inserting after paragraph (4) the following new paragraph:

''(5) any qualified small issue bond described in section 144(a)(12)(B)(ii).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

SEC. 6. MODIFICATIONS TO SECTION 512(b)(13).

(a) IN GENERAL.—Paragraph (13) of section 512(b) is amended by redesignating subparagraph (E) as subparagraph (F) and by inserting after subparagraph (D) the following new paragraph:

''(E) PARAGRAPH TO APPLY ONLY TO EXCESS PAYMENTS.—

''(i) IN GENERAL.—Subparagraph (A) shall apply only to the portion of a specified payment received by the controlling organization that exceeds the amount which would have been paid if such payment met the requirements prescribed under section 482.

''(ii) ADDITION TO TAX FOR VALUATION MISSTATEMENTS.—The tax imposed by this chapter on the controlling organization shall be increased by an amount equal to 20 percent of such excess.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to payments received or accrued after December 31, 2000.

(2) PAYMENTS SUBJECT TO BINDING CONTRACT TRANSITION RULE.—If the amendments made by section 1041 of the Taxpayer Relief Act of 1997 did not apply to any amount received or accrued in the first 2 taxable years beginning on or after the date of the enactment of this Act under any contract described in subsection (b)(2) of such section, such amendments also shall not apply to amounts received or accrued under such contract before January 1, 2001.

SEC. 7. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD INVENTORY.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) CONTRIBUTIONS BY NON-CORPORATE TAXPAYERS.—In the case of a charitable contribution of food by a taxpayer, paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a corporation.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph)—

''(i) paragraph (3)(B) shall not apply, and

''(ii) the reduction under paragraph (1)(A) for such contribution shall be no greater than the amount (if any) by which the amount of such contribution exceeds twice the basis of such food.

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer uses the cash method of accounting, the basis of any qualified contribution of such taxpayer shall be deemed to be 50 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer, lack of market, or similar circumstances, or which is produced by the taxpayer exclusively for the purposes of transferring the food to an organization described in paragraph (3)(A), cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards, such lack of market, such circumstances, or such exclusive purpose, and

''(ii) if applicable, by taking into account the price at which the same or similar food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(E) TERMINATION.—This paragraph shall not apply to any contribution made during any taxable year beginning after December 31, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001.

SEC. 8. INCOME AVERAGING FOR FARMERS AND FISHERMEN NOT TO INCREASE ALTERNATIVE MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Section 55(c) (defining regular tax) is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

''(2) COORDINATION WITH INCOME AVERAGING FOR FARMERS AND FISHERMEN.—Solely for purposes of this section, section 1301 (relating to averaging of farm and fishing income) shall not apply in computing the regular tax.''.

(b) ALLOWING INCOME AVERAGING FOR FISHERMEN.—

(1) IN GENERAL.—Section 1301(a) is amended by striking ''farming business'' and inserting ''farming business or fishing business''.

(2) DEFINITION OF ELECTED FARM INCOME.—

(A) IN GENERAL.—Clause (i) of section 1301(b)(1)(A) is amended by inserting ''or fishing business'' before the semicolon.

(B) CONFORMING AMENDMENT.—Subparagraph (B) of section 1301(b)(1) is amended by inserting ''or fishing business'' after ''farming business'' both places it occurs.

(3) DEFINITION OF FISHING BUSINESS.—Section 1301(b) is amended by adding at the end the following new paragraph:

''(4) FISHING BUSINESS.—The term 'fishing business' means the conduct of commercial fishing as defined in section 3 of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 9. COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.

(a) IN GENERAL.—Section 1388 (relating to definitions and special rules) is amended by adding at the end the following new subsection:

''(k) COOPERATIVE MARKETING INCLUDES VALUE-ADDED PROCESSING THROUGH ANIMALS.—For purposes of section 521 and this subchapter, the term 'marketing the products of members or other producers' includes feeding the products of members or other producers to cattle, hogs, fish, chickens, or other animals and selling the resulting animals or animal products.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 10. DECLARATORY JUDGMENT RELIEF FOR SECTION 521 COOPERATIVES.

(a) IN GENERAL.—Section 7428(a)(1) (relating to declaratory judgments of tax exempt organizations) is amended by striking ''or'' at the end of subparagraph (B) and by adding at the end the following new subparagraph:

''(D) with respect to the initial qualification or continuing qualification of a cooperative as described in section 521(b) which is exempt from tax under section 521(a), or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect

to pleadings filed after the date of the enactment of this Act but only with respect to determinations (or requests for determinations) made after January 1, 2001.

SEC. 11. SMALL ETHANOL PRODUCER CREDIT.

(a) ALLOCATION OF ALCOHOL FUELS CREDIT TO PATRONS OF A COOPERATIVE.—Section 40(g) (relating to alcohol used as fuel) is amended by adding at the end the following new paragraph:

''(6) ALLOCATION OF SMALL ETHANOL PRODUCER CREDIT TO PATRONS OF COOPERATIVE.—

''(A) ELECTION TO ALLOCATE.—

''(i) IN GENERAL.—In the case of a cooperative organization described in section 1381(a), any portion of the credit determined under subsection (a)(3) for the taxable year may, at the election of the organization, be apportioned pro rata among patrons of the organization on the basis of the quantity or value of business done with or for such patrons for the taxable year.

''(ii) FORM AND EFFECT OF ELECTION.—An election under clause (i) for any taxable year shall be made on a timely filed return for such year. Such election, once made, shall be irrevocable for such taxable year.

''(B) TREATMENT OF ORGANIZATIONS AND PATRONS.—The amount of the credit apportioned to patrons under subparagraph (A)—

''(i) shall not be included in the amount determined under subsection (a) with respect to the organization for the taxable year,

''(ii) shall be included in the amount determined under subsection (a) for the taxable year of each patron for which the patronage dividends for the taxable year described in subparagraph (A) are included in gross income, and

''(iii) shall be included in gross income of such patrons for the taxable year in the manner and to the extent provided in section 87.

''(C) SPECIAL RULES FOR DECREASE IN CREDITS FOR TAXABLE YEAR.—If the amount of the credit of a cooperative organization determined under subsection (a)(3) for a taxable year is less than the amount of such credit shown on the return of the cooperative organization for such year, an amount equal to the excess of—

''(i) such reduction, over

''(ii) the amount not apportioned to such patrons under subparagraph (A) for the taxable year,

shall be treated as an increase in tax imposed by this chapter on the organization. Such increase shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this subpart or subpart A, B, E, or G.''.

(b) IMPROVEMENTS TO SMALL ETHANOL PRODUCER CREDIT.—

(1) DEFINITION OF SMALL ETHANOL PRODUCER.—Section 40(g) (relating to definitions and special rules for eligible small ethanol producer credit) is amended by striking ''30,000,000'' each place it appears and inserting ''60,000,000''.

(2) SMALL ETHANOL PRODUCER CREDIT NOT A PASSIVE ACTIVITY CREDIT.—Clause (i) of section 469(d)(2)(A) is amended by striking ''subpart D'' and inserting ''subpart D, other than section 40(a)(3),''.

(3) ALLOWING CREDIT AGAINST MINIMUM TAX.—

(A) IN GENERAL.—Subsection (c) of section 38 (relating to limitation based on amount of tax) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) SPECIAL RULES FOR SMALL ETHANOL PRODUCER CREDIT.—

''(A) IN GENERAL.—In the case of the small ethanol producer credit—

''(i) this section and section 39 shall be applied separately with respect to the credit, and

''(ii) in applying paragraph (1) to the credit—

''(I) subparagraphs (A) and (B) thereof shall not apply, and

''(II) the limitation under paragraph (1) (as modified by subclause (I)) shall be reduced by the credit allowed under subsection (a) for the taxable year (other than the small ethanol producer credit).

''(B) SMALL ETHANOL PRODUCER CREDIT.—For purposes of this subsection, the term 'small ethanol producer credit' means the credit allowable under subsection (a) by reason of section 40(a)(3).''.

(B) CONFORMING AMENDMENT.—Subclause (II) of section 38(c)(2)(A)(ii) is amended by striking ''(other'' and all that follows through ''credit)'' and inserting ''(other than the empowerment zone employment credit or the small ethanol producer credit)''.

(4) SMALL ETHANOL PRODUCER CREDIT NOT ADDED BACK TO INCOME UNDER SECTION 87.—Section 87 (relating to income inclusion of alcohol fuel credit) is amended to read as follows:

''SEC. 87. ALCOHOL FUEL CREDIT.

''Gross income includes an amount equal to the sum of—

''(1) the amount of the alcohol mixture credit determined with respect to the taxpayer for the taxable year under section 40(a)(1), and

''(2) the alcohol credit determined with respect to the taxpayer for the taxable year under section 40(a)(2).''.

(c) CONFORMING AMENDMENT.—Section 1388 (relating to definitions and special rules for cooperative organizations), as amended by section 9, is amended by adding at the end the following new subsection:

''(l) CROSS REFERENCE.—For provisions relating to the apportionment of the alcohol fuels credit between cooperative organizations and their patrons, see section 40(g)(6).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 12. PAYMENT OF DIVIDENDS ON STOCK OF COOPERATIVES WITHOUT REDUCING PATRONAGE DIVIDENDS.

(a) IN GENERAL.—Subsection (a) of section 1388 (relating to patronage dividend defined) is amended by adding at the end the following new sentence: ''For purposes of paragraph (3), net earnings shall not be reduced by amounts paid during the year as dividends on capital stock or other proprietary capital interests of the organization to the extent that the articles of incorporation or bylaws of such organization or other contract with patrons provide that such dividends are in addition to amounts otherwise payable to patrons which are derived from business done with or for patrons during the taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions in taxable years beginning after the date of the enactment of this Act.

S. 313

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Farm, Fishing, and Ranch Risk Management Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 2. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

(a) IN GENERAL.—Subpart C of part II of subchapter E of chapter 1 (relating to taxable year for which deductions taken) is amended by inserting after section 468B the following new section:

''SEC. 468C. FARM, FISHING, AND RANCH RISK MANAGEMENT ACCOUNTS.

''(a) DEDUCTION ALLOWED.—In the case of an individual engaged in an eligible farming business or commercial fishing, there shall be allowed as a deduction for any taxable year the amount paid in cash by the taxpayer during the taxable year to a Farm, Fishing, and Ranch Risk Management Account (hereinafter referred to as the 'FFARRM Account').

''(b) LIMITATION.—

''(1) CONTRIBUTIONS.—The amount which a taxpayer may pay into the FFARRM Account for any taxable year shall not exceed 20 percent of so much of the taxable income of the taxpayer (determined without regard to this section) which is attributable (determined in the manner applicable under section 1301) to any eligible farming business or commercial fishing.

''(2) DISTRIBUTIONS.—Distributions from a FFARRM Account may not be used to purchase, lease, or finance any new fishing vessel, add capacity to any fishery, or otherwise contribute to the overcapitalization of any fishery. The Secretary of Commerce shall implement regulations to enforce this paragraph.

''(c) ELIGIBLE BUSINESSES.—For purposes of this section—

''(1) ELIGIBLE FARMING BUSINESS.—The term 'eligible farming business' means any farming business (as defined in section 263A(e)(4)) which is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(2) COMMERCIAL FISHING.—The term 'commercial fishing' has the meaning given such term by section (3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1802) but only if such fishing is not a passive activity (within the meaning of section 469(c)) of the taxpayer.

''(d) FFARRM ACCOUNT.—For purposes of this section—

''(1) IN GENERAL.—The term 'FFARRM Account' means a trust created or organized in the United States for the exclusive benefit of the taxpayer, but only if the written governing instrument creating the trust meets the following requirements:

''(A) No contribution will be accepted for any taxable year in excess of the amount allowed as a deduction under subsection (a) for such year.

''(B) The trustee is a bank (as defined in section 408(n)) or another person who demonstrates to the satisfaction of the Secretary that the manner in which such person will administer the trust will be consistent with the requirements of this section.

''(C) The assets of the trust consist entirely of cash or of obligations which have adequate stated interest (as defined in section 1274(c)(2)) and which pay such interest not less often than annually.

''(D) All income of the trust is distributed currently to the grantor.

''(E) The assets of the trust will not be commingled with other property except in a common trust fund or common investment fund.

''(2) ACCOUNT TAXED AS GRANTOR TRUST.—The grantor of a FFARRM Account shall be treated for purposes of this title as the owner of such Account and shall be subject to tax thereon in accordance with subpart E of part I of subchapter J of this chapter (relating to grantors and others treated as substantial owners).

''(e) INCLUSION OF AMOUNTS DISTRIBUTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there shall be includible in the gross income of the taxpayer for any taxable year—

''(A) any amount distributed from a FFARRM Account of the taxpayer during such taxable year, and

''(B) any deemed distribution under—

''(i) subsection (f)(1) (relating to deposits not distributed within 5 years),

''(ii) subsection (f)(2) (relating to cessation in eligible farming business), and

''(iii) subparagraph (B) or (C) of subsection (f)(3) (relating to prohibited transactions and pledging account as security).

''(2) EXCEPTIONS.—Paragraph (1)(A) shall not apply to—

''(A) any distribution to the extent attributable to income of the Account, and

''(B) the distribution of any contribution paid during a taxable year to a FFARRM Account to the extent that such contribution exceeds the limitation applicable under subsection (b) if requirements similar to the requirements of section 408(d)(4) are met.

For purposes of subparagraph (A), distributions shall be treated as first attributable to income and then to other amounts.

''(f) SPECIAL RULES.—

''(1) TAX ON DEPOSITS IN ACCOUNT WHICH ARE NOT DISTRIBUTED WITHIN 5 YEARS.—

''(A) IN GENERAL.—If, at the close of any taxable year, there is a nonqualified balance in any FFARRM Account—

''(i) there shall be deemed distributed from such Account during such taxable year an amount equal to such balance, and

''(ii) the taxpayer's tax imposed by this chapter for such taxable year shall be increased by 10 percent of such deemed distribution.

The preceding sentence shall not apply if an amount equal to such nonqualified balance is distributed from such Account to the taxpayer before the due date (including extensions) for filing the return of tax imposed by this chapter for such year (or, if earlier, the date the taxpayer files such return for such year).

''(B) NONQUALIFIED BALANCE.—For purposes of subparagraph (A), the term 'nonqualified balance' means any balance in the Account on the last day of the taxable year which is attributable to amounts deposited in such Account before the 4th preceding taxable year.

''(C) ORDERING RULE.—For purposes of this paragraph, distributions from a FFARRM Account (other than distributions of current income) shall be treated as made from deposits in the order in which such deposits were made, beginning with the earliest deposits.

''(2) CESSATION IN ELIGIBLE BUSINESS.—At the close of the first disqualification period after a period for which the taxpayer was engaged in an eligible farming business or commercial fishing, there shall be deemed distributed from the FFARRM Account of the taxpayer an amount equal to the balance in such Account (if any) at the close of such disqualification period. For purposes of the preceding sentence, the term 'disqualification period' means any period of 2 consecutive taxable years for which the taxpayer is not engaged in an eligible farming business or commercial fishing.

''(3) CERTAIN RULES TO APPLY.—Rules similar to the following rules shall apply for purposes of this section:

''(A) Section 220(f)(8) (relating to treatment on death).

''(B) Section 408(e)(2) (relating to loss of exemption of account where individual engages in prohibited transaction).

''(C) Section 408(e)(4) (relating to effect of pledging account as security).

''(D) Section 408(g) (relating to community property laws).

''(E) Section 408(h) (relating to custodial accounts).

''(4) TIME WHEN PAYMENTS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a payment to a FFARRM Account on the last day of a taxable year if such payment is made on account of such taxable year and is made on or before the due date (without regard to extensions) for filing the return of tax for such taxable year.

''(5) INDIVIDUAL.—For purposes of this section, the term 'individual' shall not include an estate or trust.

''(6) DEDUCTION NOT ALLOWED FOR SELF-EMPLOYMENT TAX.—The deduction allowable by reason of subsection (a) shall not be taken into account in determining an individual's net earnings from self-employment (within the meaning of section 1402(a)) for purposes of chapter 2.

''(g) REPORTS.—The trustee of a FFARRM Account shall make such reports regarding such Account to the Secretary and to the person for whose benefit the Account is maintained with respect to contributions, distributions, and such other matters as the Secretary may require under regulations. The reports required by this subsection shall be filed at such time and in such manner and furnished to such persons at such time and in such manner as may be required by such regulations.''

(b) TAX ON EXCESS CONTRIBUTIONS.—

(1) Subsection (a) of section 4973 (relating to tax on excess contributions to certain tax-favored accounts and annuities) is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5), and by inserting after paragraph (3) the following new paragraph:

''(4) a FFARRM Account (within the meaning of section 468C(d)), or''.

(2) Section 4973 is amended by adding at the end the following new subsection:

''(g) EXCESS CONTRIBUTIONS TO FFARRM ACCOUNTS.—For purposes of this section, in the case of a FFARRM Account (within the meaning of section 468C(d)), the term 'excess contributions' means the amount by which the amount contributed for the taxable year to the Account exceeds the amount which may be contributed to the Account under section 468C(b) for such taxable year. For purposes of this subsection, any contribution which is distributed out of the FFARRM Account in a distribution to which section 468C(e)(2)(B) applies shall be treated as an amount not contributed.''

(3) The section heading for section 4973 is amended to read as follows:

''SEC. 4973. EXCESS CONTRIBUTIONS TO CERTAIN ACCOUNTS, ANNUITIES, ETC.''

(4) The table of sections for chapter 43 is amended by striking the item relating to section 4973 and inserting the following new item:

''Sec. 4973. Excess contributions to certain accounts, annuities, etc.''

(c) TAX ON PROHIBITED TRANSACTIONS.—

(1) Subsection (c) of section 4975 (relating to tax on prohibited transactions) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR FFARRM ACCOUNTS.—A person for whose benefit a FFARRM Account (within the meaning of section 468C(d)) is established shall be exempt from the tax imposed by this section with respect to any transaction concerning such account (which would otherwise be taxable under this section) if, with respect to such transaction, the account ceases to be a FFARRM Account by reason of the application of section 468C(f)(3)(A) to such account.''

(2) Paragraph (1) of section 4975(e) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) a FFARRM Account described in section 468C(d),''.

(d) FAILURE TO PROVIDE REPORTS ON FFARRM ACCOUNTS.—Paragraph (2) of section 6693(a) (relating to failure to provide reports on certain tax-favored accounts or annuities) is amended by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (B) the following new subparagraph:

''(C) section 468C(g) (relating to FFARRM Accounts),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart C of part II of subchapter E of chapter 1 is amended by inserting after the item relating to section 468B the following new item:

''Sec. 468C. Farm, Fishing and Ranch Risk Management Accounts.''

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

S. 314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DECLARATORY JUDGMENT RELIEF FOR SECTION 521 COOPERATIVES.

(a) IN GENERAL.—Section 7428(a)(1) of the Internal Revenue Code of 1986 (relating to declaratory judgments of tax exempt organizations) is amended by striking ''or'' at the end of subparagraph (B) and by adding at the end the following new subparagraph:

''(D) with respect to the initial qualification or continuing qualification of a cooperative as described in section 521(b) which is exempt from tax under section 521(a), or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to pleadings filed after the date of the enactment of this Act but only with respect to determinations (or requests for determinations) made after January 1, 2001.

Mr. BURNS. Mr. President, I rise today to join Senator GRASSLEY and others to introduce the TERFF Act, Tax Empowerment and Relief for Farmers and Fisherman.

This bill includes several provisions providing tax relief that will help our nation's farmers.

First, this bill will create FFARRM, Farm, Fish and Ranch Risk Management, Accounts that will provide farmers, ranchers and fishermen with additional money management tools. Agricultural producers will be allowed to contribute up to 20 percent of their annual income into these accounts. The tax on this income will be deferred for up to five years or until the depositor withdraws the money.

The bill will amend the tax code to ensure that farm cash rents are not subject to an additional 15 percent self-employment tax. Additionally, the bill will ensure CRP, Conservation Reserve Program, payments are not subject to the same self-employment tax. I have also co-sponsored a similar CRP bill with Senator BROWNBACK from Kansas.

The bill will also enable States to expand opportunities for beginning farmers who are in need of low interest

loans for capital purchases of farmland and equipment.

The bill provides that interest, rent and royalty payment made by a subsidiary to a non-profit are not subject to a unrelated business income taxes. The bill provides a tax deduction to farmers and ranchers who donate food to hunger relief organizations.

The bill will correct a problem experienced by farmers who use income averaging by ensuring that farmers are not disqualified from using income averaging due to the alternative minimum tax, AMT, calculation.

The bill would reapply taxes on cooperatives using animal value-added practices in the same way as cooperatives using manufactured value-added practices. Furthermore, it would allow cooperative producers of ethanol to receive the same tax benefits as large corporations. The bill will also allow farmer cooperatives to use preferred stock to raise equity capital.

This bill will help our nation's farmers and ranchers. The agriculture sector of our nation's economy needs the relief.

Mr. ENZI. Mr. President, I rise to introduce legislation to address a concern of farmers in my State of Wyoming and throughout the United States. This legislation, which I am introducing with the distinguished chairman of the Finance Committee, Senator GRASSLEY, as well as the senior Senator from North Dakota, Mr. CONRAD, is designed to clarify a provision in the Internal Revenue Code and its accompanying regulations which has been broadly interpreted to impose self-employment (SE) taxes on rental income from real estate even though such income was generally designed to be exempt from SE taxes.

Under Section 1402(a)(1) of the Internal Revenue Code, rental income from real estate was only intended to be subject to the SE taxes when, one, the income is from an arrangement between an owner and lessee that, two, requires the lessee to produce agricultural or horticultural commodities on the land; and, three, there shall be material participation by the owner or tenant with respect to any such agricultural or horticultural commodities. The problem all goes back to ambiguity of the term ''arrangement'' in this section. This section has been interpreted to by the IRS to apply not only to the specific lease agreement itself, but also to other extraneous production or management arrangements between the owner and his lessee. Accordingly, the IRS has hit many small self-employed farmers with a tax penalty that they never expected and which was never envisioned when Congress wrote the section of the Internal Revenue Code in question.

The legislation I am introducing today clarifies this section by replacing the term ''arrangement'' with ''agreement,'' indicating that the lease agreement itself must specify the requisite responsibilities of the owner in order to be subject to the SE tax. As in so much of what we do here, a small change in words can have a dramatic impact on people's lives. By clarifying what I believe was intended by Congress all along, we will save numerous farmers the heartache and expense of litigating with the IRS over whether rental income from their real estate is subject to SE tax. This small change in the tax code will provide considerable tax relief to farmers in my home State of Wyoming and throughout the United States. I thank Chairman GRASSLEY for his support of this important legislation and I urge my colleagues to enact this important relief for America's family farmers.

By Mr. BROWNBACK (for himself, Mr. DORGAN, Mr. DASCHLE, Mr. LUGAR, Mr. LEVIN, Mr. ROBERTS, Mr. BURNS, Mr. JEFFORDS, Mr. BAUCUS, Mr. DEWINE, Mr. HARKIN, Mr. CRAIG, Mr. JOHNSON, Mr. LEAHY, Mr. BINGAMAN, and Mr. BOND):

S. 315. A bill to amend the Internal Revenue Code of 1986 to treat payments under the Conservation Reserve program as rentals from real estate; to the Committee on Finance.

Mr. BROWNBACK. Mr. President, I am speaking on a bill that I put in today, along with several cosponsors, regarding the Conservation Reserve Program Tax Fairness Act.

To be a farmer today, you really need to be an optimist—about the weather, about farm prices, about our rapidly changing economy. But one thing farmers should not have to worry about is being additionally taxed for participating in a conservation program.

I rise today to introduce the Conservation Reserve Program Tax Fairness Act of 2001. This bill would simply correct the tax treatment of one of our nation's most valuable conservation programs so that there is not a disincentive for farmers to be good stewards of the land.

I am joined in this effort by Senator DORGAN who has taken an active role on this issue last year and serves as the lead cosponsor of the bill this year. This bill is also co-sponsored by Senators DASCHLE, LUGAR, LEVIN, ROBERTS, BURNS, JEFFORDS, BAUCUS, DEWINE, HARKIN, CRAIG, JOHNSON, and LEAHY.

As you can see, Mr. President, this bill has the bipartisan support of many in the Senate because it is just common sense. In a time when the farm economy continues to suffer and conservation efforts are more important than ever, we should be doing everything we can to make conservation efforts more appealing, not less. And if there is one truth that is pretty evident here, it is that if you want less of something, than tax it. Well, Mr. President, I think we can all agree that we want more conservation, not less, and therefore, we need to correct this tax interpretation.

The Conservation Reserve Program, or CRP, has been a great success for this Nation. The program provides financial incentives for improving and preserving environmentally sensitive land, taking it out of production and enhancing its environmental benefit. The CRP program increases water quality, wildlife habitat and prevents soil erosion—all factors which have become even more important in light of recent concerns about nonpoint source pollution in our nation's waterways.

Specifically, this measure clarifies once and for all that CRP conservation payments from the Government are not subject to self-employment social security taxes—a rate of up to 15 percent of the payment amount. Currently, there is confusion over how CRP payments should be taxed owing to a recent court case in the 6th Circuit Court of Appeals. This case overturned a 1998 Tax Court ruling that CRP payments are not subject to Social Security taxes because they are a rental payment the Government makes in exchange for farmers taking environmentally sensitive land out of production. Since other rental payments are exempt from this additional tax, CRP payments were considered exempt as well.

As a result of this confusion, there is now a discrepancy between active farmers who take part in CRP, which are now subject to the tax because it is considered income, and landowners who do not farm but take part in CRP and are exempt from the tax. Clearly, this is not what Congress intended when it set up this program.

Furthermore, the new court ruling has inspired the IRS to aggressively seek back taxes on CRP payments, as far back as the 1996 tax year. That could amount to tens of thousands of dollars for farmers who are already struggling through economic hard times.

In my State of Kansas alone, $102.7 million in CRP payments were issued in 1999. Are we really going to tell farmers that this money—promised them for conservation purposes—will now be additionally taxed all the way back to 1996? This would amount to a disincentive for farmers to participate in environmental and conservation programs because they cannot trust that there won't be some hidden penalty down the road. Is that the message this body really wants to send?

This tax makes no sense. Since CRP land is not used for agricultural production, it should not be considered farm income—but rather rental/real estate income as the Tax Court originally ruled. CRP payments are different from traditional setaside programs because the program requires strict adherence to environmental standards. The farmer is contracting with the Government for an environmental benefit. Why on Earth would we choose to tax him for it?

We must also consider the state of the farm economy today. Agriculture

is one of the few industries in this country which has not been blessed with a prolonged booming economy. This is the worst possible time to burden farmers with additional taxes.

This bill received enthusiastic support in the last Congress. In fact, this measure was approved unanimously in the Senate last year as part of a larger tax bill, but, unfortunately, was not able to make its way into law. In addition to strong Senate support, this bill has the backing of numerous farm groups including: the National Corn Growers, National Wheat Growers, American Soybean and Cattlemen's Beef Associations—along with the National Farmer's Union and the American Farm Bureau.

My colleagues, one of the privileges we have as Members of the Senate is to be able to correct legislative wrongs that hurt our constituents. This may be a minor thing in the larger scheme of the tax debate, but it is of vital importance to our Nation's farmers. I urge you all to join me in this effort.

If I may summarize, this Conservation Reserve Program Tax Fairness Act of 2001 is to remove taxation on CRP and put it back to where it was when the program was first put forward. That program pays farmers to idle land to be able to build it up, conserve it, to be able to build wildlife up on these tracts of land. It has been very successful.

What has taken place or occurred is that the IRS has taken farmers to court and said they should be taxed for self-employment income for CRP payments, which was never the intent of Congress when it passed that. That was not to take place. Yet the lower court in that one circuit ruled that that is, indeed, correct and that they should be taxed a self-employment tax on that income.

Today Senators DORGAN, ROBERTS, and myself held a press conference introducing this bill to clarify this issue and to remove the self-employment tax on CRP payments. I think this is a key provision. I hope we are able to move forward on it.

Senator GRASSLEY, chairman of the Finance Committee, is supporting us in this effort, and he put it in an overall farm tax relief package. At this time, when we have so much difficulty in the farming economy, it is important to clarify that we are not going to tax people in a situation that they should not be taxed in and where it was never intended for them to be taxed.

This bill previously passed the Senate last year. It has strong bipartisan support. The list of original cosponsors is as follows: Senators DASCHLE, LUGAR, LEVIN, ROBERTS, BURNS, JEFFORDS, BAUCUS, DEWINE, HARKIN, CRAIG, JOHNSON, LEAHY, and BINGAMAN. I hope more will join us as well. I hope this not only clears the Senate this year, but gets through to the President.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 315

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Conservation Reserve Program Tax Fairness Act of 2001''.

SEC. 2. TREATMENT OF CONSERVATION RESERVE PROGRAM PAYMENTS AS RENTALS FROM REAL ESTATE.

(a) IN GENERAL.—Section 1402(a)(1) of the Internal Revenue Code of 1986 (defining net earnings from self-employment) is amended by inserting ''and including payments under section 1233(2) of the Food Security Act of 1985 (16 U.S.C. 3833(2))'' after ''crop shares''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made before, on, or after the date of the enactment of this Act.

Mr. DORGAN. Mr. President, I am pleased to join Senator BROWNBACK and a number of our colleagues today in introducing the Conservation Reserve Program Tax Fairness Act of 2001. This much-needed legislation would clarify that Conservation Reserve Program payments received by farmers are treated for tax purposes as rental payments from real estate not subject to self-employment taxes.

For over a decade, many farmers have agreed to take out of farm production environmentally-sensitive lands and place them in the Conservation Reserve Program (CRP) for an extended period. In return, these farmers receive an annual rental payment from the Commodity Credit Corporation of the U.S. Department of Agriculture.

Over the past several years, the IRS has waged an aggressive campaign to try to re-characterize CRP rental payments as net earnings from self-employment and subject to self-employment taxes. I believe that the IRS's position here is dead-wrong.

North Dakota has about 3.3 million acres with $109 million in rental payments in the CRP program. The IRS's position means that farmers in North Dakota could be mailed a tax bill from the IRS for more than $16 million in added federal taxes this year alone. A typical North Dakota farmer with 160 acres in CRP would have a CRP payment of $5,280 and would owe nearly $800 in self-employment taxes because of the IRS's ill-advised position. To make matters worse, if the IRS pursues back taxes on returns filed by farmers in past years, the amount of taxes owed by individual farmers could amount to thousands of dollars.

I believe that it is absolutely ludicrous for the IRS to load up farmers with an added tax burden at the very time that our nation's family farmers are struggling with high fuel costs and record high fertilizer prices while commodity prices are at record low levels. Given these circumstances, where are the nation's family farmers supposed to come up with the $231 million in additional taxes the IRS's interpretation of CRP rental payments imposes on them?

In our judgment, the Congress never intended this tax result. In fact, the U.S. Tax Court understood this very point, when it ruled in 1998 that the IRS's interpretation of CRP payments was improper and that CRP payments are properly treated by farmers as rental payments and, thus, not subject to self-employment taxes. Regrettably, the U.S. Tax Court's ruling was later reversed by a federal appellate court as the IRS continues to litigate the matter.

We think that most of our colleagues understand that the current IRS position is not what Congress intended, nor is it supportable in law in our judgment. That's probably why, for example, the Senate unanimously agreed to an amendment I offered to the marriage penalty reduction bill last summer that included language to clarify the proper tax treatment of CRP payments as rentals not subject to self-employment taxes. However, my amendment with its CRP language and other amendments were stripped from the final version of that bill and this critical CRP change was not included in any other tax bills signed into law by the President in the last Congress.

With the legislation we introduce today, Congress can tell the IRS that its mistaken effort to treat CRP payments as net earnings from self-employment will not be allowed to stand. I, along with the other cosponsors, urge you to support this change by cosponsoring our bill and working with us to get it added to any major tax legislation passed by Congress this year.

Mr. BURNS. Mr. President, I rise today to join Senator BROWNBACK and others to introduce the CRP, Conservation Reserve Program Tax Fairness Act. This bill will clarify Congressional intent that the CRP was not intended to be subject to self employment social security taxes.

In a 1999 decision, the 6th Circuit Court of Appeals concluded that CRP payments could no longer be treated as real estate rental income a status that would make those payments exempt from social security taxes.

The CRP provides financial incentives for improving and preserving environmentally sensitive land—taking it out of production and enhancing its environmental benefit. The CRP program increases water quality, wildlife habitat and prevents soil erosion—all factors which have become even more important in light of recent concerns about nonpoint source pollution in our nation's waterways.

This case overturned a 1998 Tax Court ruling that CRP payments are not subject to social security taxes because they are a rental payment the government makes in exchange for farmers taking environmentally sensitive land out of production. Since other rental payments are exempt from this additional tax, CRP payments were considered exempt as well.

As a result of this confusion, there is now a discrepancy between active farmers who take part in CRP—which are now subject to the tax because it is considered income—and landowners who do not farm but take part in CRP and are exempt from the tax. Clearly, this is not what Congress intended when it set up this program.

This bill will allow farmers and ranchers the ability to rest assured once and for all that conservation payments made by the government will not be subject to the high tax rate imposed by social security self-employment—a rate of 15 percent of the payment—in future years. As a result, working farmers will enjoy the same status as non-farm landowners in this program which encourages conservation of land, water and wildlife.

By Mr. MCCONNELL (for himself, Mr. GREGG, Mr. FRIST, Mr. MILLER, Mr. LOTT, Mr. DEWINE, Mr. ENZI, Mr. HUTCHINSON, Mr. SESSIONS, and Mr. CARPER):

S. 316. A bill to provide for teacher liability protection; to the Committee on the Judiciary.

Mr. MCCONNELL. Mr. President, today I rise to introduce, with my colleagues Senators GREGG, FRIST, MILLER, LOTT, DEWINE, ENZI, HUTCHINSON, SESSIONS, and CARPER, The Paul D. Coverdell Teacher Liability Protection Act. This important legislation extends protections from frivolous lawsuits to teachers, principals, administrators, and other education professionals who are acting within the scope of their professional responsibilities.

The Teacher Liability Protection Act builds upon the good work Congress began in 1997 when it enacted the Volunteer Protection Act. As you may recall, the Volunteer Protection Act provides liability protections to individuals serving their communities as volunteers. After bringing several volunteer protection amendments to the floor throughout the 1990's and introducing the Volunteer Protection Act during the 104th Congress, I was honored to work with our colleague, Senator Paul Coverdell, to steer this measure through the 105th Congress and have it enacted in 1997.

Now, we need to extend similar liability protections to our nation's teachers, principals, and education professionals who are responsible for the safety of our children when they are at school.

Everyone agrees that providing a safe, orderly environment is a critical component of ensuring that every child is able to reach their full academic potential. Teachers who are unable to maintain order in the classroom cannot reasonably be expected to share their knowledge with their pupils, whether it be in math, science, or literature. Disruptive, rowdy, and sometimes violent students not only threaten the immediate safety of their classmates, they threaten the very future of our children by denying them the opportunity to learn.

Unfortunately, teachers, principals, and other education officials share an impediment in their efforts to ensure that students can learn in a safe, orderly learning environment: the fear of lawsuits. All too often, these hard-working professionals find their reasonable actions to instill discipline and maintain order are questioned and second guessed by opportunistic trial lawyers.

Today's teachers will tell you that the threat of litigation is in the back of their minds and forces them at times to act in a manner which might not be in the best interests of their students. A 1999 survey of secondary school principals found that 25 percent of the respondents were involved in lawsuits or out-of-court settlements in the previous two years—an amazing 270 percent increase from only ten years earlier. The same survey found that 20 percent of principals spent 5–10 hours a week in meetings or documenting events in an effort to avoid litigation. This is time that our educators should spend counseling students, developing curriculum, and maintaining order—not fending off frivolous lawsuits.

The legislation is structured similarly to the Volunteer Protection Act of 1997 and is nearly identical to teacher protection legislation introduced by Paul Coverdell (S. 1721) in the 106th Congress. Simply put, the bill extends a national standard to protect from liability those teachers, principals, and education professionals who act in a reasonable manner to maintain order in the classroom. It does not preempt those States that have already taken action to address this problem and it allows any state legislature that disagrees with these strong protections to opt out at any time. Since this bill builds on Sen. Coverdell's fine work, my colleagues and I thought it would be highly appropriate that it bear his name.

At the same time, it is important to note that this legislation is not a ''carte blanche'' for that minuscule minority of school officials who abuse their authority. The bill does not protect those teachers who engage in ''willful misconduct, gross negligence, reckless misconduct, or a conscious flagrant indifference to the rights or safety'' of a student. Nor does the bill preclude schools or local law enforcement entities from taking criminal, civil, or administrative actions against a teacher who acts improperly. Rather, the bill is simply designed to protect those teachers, principals, and educational professionals who act responsibly from frivolous lawsuits.

From a historical context, this is not new ground for our colleagues in the Senate. During the 106th Congress, Senator Coverdell sucessfully included his legislation in the Senate's verison of the ESEA Reauthorization bill. Unfortunately, as we all know, efforts to reauthorize the ESEA stalled on the Senate floor. It is now appropriate for the Senate to revisit this issue, and I hope give its full endorsement.

I look forward to working with my fellow original co- sponsors and the rest of the Senate to see that these important protections are enacted into law on behalf of America's hard working and dedicated teachers.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 316

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TEACHER LIABILITY PROTECTION.

The Elementary and Secondary Education Act of 1965 (20 U.S.C 6301 et seq.) is amended by adding at the end the following:

''TITLE XV—TEACHER LIABILITY PROTECTION

''SEC. 15001. SHORT TITLE.

''This title may be cited as the 'Paul D. Coverdell Teacher Liability Protection Act of 2001'.

''SEC. 15002. FINDINGS AND PURPOSE.

''(a) FINDINGS.—Congress makes the following findings:

''(1) The ability of teachers, principals and other school professionals to teach, inspire and shape the intellect of our Nation's elementary and secondary school students is deterred and hindered by frivolous lawsuits and litigation.

''(2) Each year more and more teachers, principals and other school professionals face lawsuits for actions undertaken as part of their duties to provide millions of school children quality educational opportunities.

''(3) Too many teachers, principals and other school professionals face increasingly severe and random acts of violence in the classroom and in schools.

''(4) Providing teachers, principals and other school professionals a safe and secure environment is an important part of the effort to improve and expand educational opportunities.

''(5) Clarifying and limiting the liability of teachers, principals and other school professionals who undertake reasonable actions to maintain order, discipline and an appropriate educational environment is an appropriate subject of Federal legislation because—

''(A) the scope of the problems created by the legitimate fears of teachers, principals and other school professionals about frivolous, arbitrary or capricious lawsuits against teachers is of national importance; and

''(B) millions of children and their families across the Nation depend on teachers, principals and other school professionals for the intellectual development of children.

''(b) PURPOSE.—The purpose of this title is to provide teachers, principals and other school professionals the tools they need to undertake reasonable actions to maintain order, discipline and an appropriate educational environment.

''SEC. 15003. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.

''(a) PREEMPTION.—This title preempts the laws of any State to the extent that such laws are inconsistent with this title, except that this title shall not preempt any State law that provides additional protection from liability relating to teachers.

''(b) ELECTION OF STATE REGARDING NONAPPLICABILITY.—This title shall not apply to any civil action in a State court against a teacher with respect to claims arising within that State if such State enacts a statute in

accordance with State requirements for enacting legislation—

''(1) citing the authority of this subsection;

''(2) declaring the election of such State that this title shall not apply, as of a date certain, to such civil action in the State; and

''(3) containing no other provisions.

''SEC. 15004. LIMITATION ON LIABILITY FOR TEACHERS.

''(a) LIABILITY PROTECTION FOR TEACHERS.—Except as provided in subsections (b) and (c), no teacher in a school shall be liable for harm caused by an act or omission of the teacher on behalf of the school if—

''(1) the teacher was acting within the scope of the teacher's employment or responsibilities related to providing educational services;

''(2) the actions of the teacher were carried out in conformity with local, State, and Federal laws, rules and regulations in furtherance of efforts to control, discipline, expel, or suspend a student or maintain order or control in the classroom or school;

''(3) if appropriate or required, the teacher was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the teacher's responsibilities;

''(4) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the teacher; and

''(5) the harm was not caused by the teacher operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to—

''(A) possess an operator's license; or

''(B) maintain insurance.

''(b) CONCERNING RESPONSIBILITY OF TEACHERS TO SCHOOLS AND GOVERNMENTAL ENTITIES.—Nothing in this section shall be construed to affect any civil action brought by any school or any governmental entity against any teacher of such school.

''(c) EXCEPTIONS TO TEACHER LIABILITY PROTECTION.—If the laws of a State limit teacher liability subject to one or more of the following conditions, such conditions shall not be construed as inconsistent with this section:

''(1) A State law that requires a school or governmental entity to adhere to risk management procedures, including mandatory training of teachers.

''(2) A State law that makes the school or governmental entity liable for the acts or omissions of its teachers to the same extent as an employer is liable for the acts or omissions of its employees.

''(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

''(d) LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF TEACHERS.—

''(1) GENERAL RULE.—Punitive damages may not be awarded against a teacher in an action brought for harm based on the action or omission of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action or omission of such teacher which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

''(2) CONSTRUCTION.—Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

''(e) EXCEPTIONS TO LIMITATIONS ON LIABILITY.—

''(1) IN GENERAL.—The limitations on the liability of a teacher under this title shall not apply to any misconduct that—

''(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18, United States Code) for which the defendant has been convicted in any court;

''(B) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

''(C) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

''(D) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to effect subsection (a)(3) or (d).

''SEC. 15005. LIABILITY FOR NONECONOMIC LOSS.

''(a) GENERAL RULE.—In any civil action against a teacher, based on an action or omission of a teacher acting within the scope of the teacher's responsibilities to a school or governmental entity, the liability of the teacher for noneconomic loss shall be determined in accordance with subsection (b).

''(b) AMOUNT OF LIABILITY.—

''(1) IN GENERAL.—Each defendant who is a teacher, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

''(2) PERCENTAGE OF RESPONSIBILITY.—For purposes of determining the amount of noneconomic loss allocated to a defendant who is a teacher under this section, the trier of fact shall determine the percentage of responsibility of each person responsible for the claimant's harm, whether or not such person is a party to the action.

''SEC. 15006. DEFINITIONS.

For purposes of this title:

''(1) ECONOMIC LOSS.—The term 'economic loss' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

''(2) HARM.—The term 'harm' includes physical, nonphysical, economic, and noneconomic losses.

''(3) NONECONOMIC LOSSES.—The term 'noneconomic losses' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

''(4) SCHOOL.—The term 'school' means a public or private kindergarten, a public or private elementary school or secondary school (as defined in section 14101, or a home school.

''(5) STATE.—The term 'State' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

''(6) TEACHER.—The term 'teacher' means a teacher, instructor, principal, administrator, or other educational professional that works in a school.

''SEC. 15007. EFFECTIVE DATE.

''(a) IN GENERAL.—This title shall take effect 90 days after the date of the enactment of the Paul D. Coverdell Teacher Liability Protection Act of 2001.

''(b) APPLICATION.—This title applies to any claim for harm caused by an act or omission of a teacher if that claim is filed on or after the effective date of the Paul D. Coverdell Teacher Liability Protection Act of 2001, without regard to whether the harm that is the subject of the claim or the conduct that caused the harm occurred before such effective date.''.

Mr. MILLER. Mr. President, today I add my support to the Teacher Liability Protection Act, a bill first introduced by my predecessor Senator Paul Coverdell. Like him, and like my colleagues with whom I introduce this bill today, I firmly believe in the promise that the education of our children provides. An important part of fulfilling that promise is ensuring that our classrooms are a secure place in which to learn. And, as a result, teachers and principals are called upon every day to maintain order in our schools. In doing so, they should not be subject to frivolous lawsuits. Nor should the fear of such litigation prevent educators from acting reasonably and quickly in this regard.

The bill we introduce today seeks to eliminate that fear and to reassure educators that they can and should perform this necessary part of their job without hesitation. The bill provides limited immunity for teachers, principals, and other education professionals for any reasonable actions they take in an effort to discipline students or maintain order in the classroom. In addition, it limits the availability of punitive damages and damages for noneconomic loss in those suits that do proceed.

I also think that it is important to discuss what this bill does not do. It does not prevent proper accountability for teachers and principals who act intentionally, or even recklessly. Nor does it protect them if they violate state or federal law. Finally, this bill recognizes the authority of states on this issue by allowing states the ability to opt out of its provisions and leaving untouched any state law that provides greater immunity from liability. In sum, this bill provides an important and necessary baseline of protection for teachers and principals who are on the front line of our national struggle to improve education, and to fulfill the promise of our children's future.

I believe this Congress has a unique opportunity to improve education in our country. I hope that my colleagues will give this bill careful consideration, and support it as an important part of that effort.

Mr. GREGG. Mr. President, I rise today to join my colleague, MITCH MCCONNELL, in introducing the Paul Coverdell Teacher Liability Protection Act of 2001.

Senator Coverdell, recognizing the value of those individuals who sacrifice their time, money and energy to serve others, was a true leader in protecting both volunteers and teachers. In 1997, he successfully ushered the Volunteer Protection Act through Congress. Today, as a result of Senator Coverdell's efforts, volunteers can generously give their time and services without the threat of frivolous lawsuits.

Last year I joined Senator Coverdell in offering a teacher amendment during floor consideration of the Elementary and Secondary Education Act, ESEA. That amendment contained several provisions impacting teachers, but the bulk of the amendment was the Teacher Liability Protection Act. I am pleased to say that this amendment was passed by the Senate by a vote of 97 to 0, and a nearly identical measure was passed by the House by a vote of 358 to 67. The overwhelming support that this amendment received during the 106th Congress clearly illustrates the bipartisan nature of this initiative. Although Congress did not complete work on ESEA before the end of the session, I am very optimistic that the new President will sign into law an education reform bill this year and that bill will include the Paul Coverdell Teacher Liability Protection Act.

Our nation's public schools have become more violent, and teachers do not feel safe in their own classrooms. Today, more than half our nation's school teachers have been verbally abused, 16 percent have been threatened with injury and 7 percent have been physically attacked. Parents and students alike report that the behavior of some students completely interferes with the learning of others. As our schools have increasingly felt the effects of violence, drug use and a breakdown of discipline, it is necessary for teachers to use reasonable means to maintain order, discipline and a positive educational environment. However, teachers continuously find themselves the targets of frivolous lawsuits when they are forced to restore order in the classroom. Our nation's educators need to feel free to appropriately and swiftly discipline disruptive, unruly and unmanageable students to ensure the safety and education of all the children under their supervision.

Currently, unless a teacher is fortunate enough to work in a state that has liability laws that protect teachers, many teachers are hesitant to take action or intervene for fear of a lawsuit. This legislation would help to correct this sad situation.

The Paul Coverdell Teacher Liability Protection Act was modeled after the Volunteer Protection Act of 1997 and several state liability laws. The purpose of this legislation is to protect teachers from frivolous law suits when attempting to remove a disruptive or belligerent student from a classroom.

Specifically, it provides limited civil liability immunity for teachers and principals who engage in reasonable acts to maintain order and preserve a safe and educational environment in their classrooms and schools. The bill is narrowly crafted to focus on protecting reasonable acts that fall within the scope of a teacher's responsibilities in providing education services. The bill does not protect teachers who engage in wanton and willful acts of misconduct, criminal acts or violations of state and federal civil rights laws. The Teacher Liability Protection Act simply protects teachers and other education professionals from liability for harm caused to an individual by reasonable acts carried out in accordance with local, state and federal laws, as well as rules and regulations for controlling, disciplining, expelling or suspending a student from a classroom or school. Additionally, this legislation stipulates that punitive damages may not be awarded against a teacher unless the claimant establishes by clear and convincing evidence that harm was caused by an action that constituted willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

Furthermore, it is important to note that this legislation does not, in any way, supercede any state law that provides teachers with greater immunity from liability. Moreover, states can opt out of the provisions of this bill by passing state legislation exempting them from the Teacher Liability Protection Act.

I conclude by saying that we have a unique opportunity this year to improve our nation's public schools, and we should start with protecting its teachers. As you know, teachers are our most precious resource in the classroom, and to continue to place them at risk in their jobs, and not give them the protection they so desperately need is a shame. It is high time that we recognize teachers and principals for who they are; professionals that go to great lengths to help our children learn. Creating a safe-zone in which they are not subject to being dragged through the courts for ensuring the safety and education of the students in their classrooms should be a priority as we undertake education reform in the 107th Congress. That is why I stand here today to join Senator MCCONNEL in empowering our nation's teachers to take back control of our classrooms and create an environment where they can teach and their students can learn.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. DODD, Mr. KENNEDY, Mr. BIDEN, Mr. BINGAMAN, Mrs. CLINTON, Mr. DURBIN, Mr. INOUYE, Mr. KERRY, Mr. LEAHY, Ms. MIKULSKI, Mrs. MURRAY, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SCHUMER, and Mr. CORZINE):

S. 318. A bill to prohibit discrimination on the basis of genetic information with respect to health insurance; to the Committee on Health, Education, Labor, and Pensions.

Mr. DASCHLE. Mr. President, yesterday we read the first news accounts of the first analysis ever of the human genetic code—what some have called ''the blueprint of human life'' itself. Today, Senators KENNEDY, HARKIN, DODD, and I are introducing a bill to make sure this stunning new knowledge is used to help Americans, not hurt them. Our bill is called the ''Genetic Nondiscrimination in Health Insurance and Employment Act.'' It says simply that genetic information may not be used to discriminate against Americans in health insurance or employment. An identical measure will be introduced tomorrow in the House by more than 150 Republican and Democratic cosponsors.

The genetic revolution has the potential to dramatically improve health care. Genetic technology can greatly improve our ability to treat and even cure now-incurable illnesses. Genetic tests can tell whether a person is at risk of developing certain diseases years before symptoms appear, giving her either peace of mind—or critical time to reduce her risks. But the scientific and commercial value of the human genome project will be seriously undermined if people refuse to take genetic tests because they fear the results may be used against them.

That is not just our opinion. That warning has been sounded repeatedly by the two men who understand genetic testing better than anyone in the world—the scientists in charge of the two teams that mapped the human genome. Dr. Craig Venter and Dr. Francis Collins. At a White House ceremony last June where Doctors Venter and Collins unveiled the sequencing of the human genome, they warned that our laws were not keeping pace with science and urged Congress to pass strong federal protections against genetic discrimination. As Dr. Collins put it: ''If we needed a wake-up call, isn't today the wake-up call?''

The question now is: Are we going to heed that warning? Or, are we going to turn a deaf ear? This bill is the test. It has four major components. First, it forbids employers from using genetic information to decide who to hire or fire, and other terms and conditions of employment. Second, it forbids insurers from using genetic information to deny or restrict coverage, or raise premiums. Third, it prevents disclosure of identifiable genetic information to health insurers, health insurance data banks, employers—and anyone else who has no legitimate need for the information. Finally, if these basic rights are violated, our bill gives victims of genetic discrimination the right to hold the violator accountable in court.

It's been nearly three years since we first introduced this bill. Back then, some people said there was no need for these protections because there was no proof that genetic discrimination ever actually occurs. We got another wake-up call last Friday, when the Equal Employment Opportunity Commission went to court to challenge genetic testing by an employer. The EEOC has asked the court to order the Burlington Northern Santa Fe Railroad to end its alleged policy of requiring employees who claim work-related injuries related to carpel tunnel syndrome to undergo genetic testing—or lose their jobs.

The Burlington Northern case marks the first time the EEOC has ever brought a genetic discrimination in court. But it is not the first case of genetic discrimination we've heard about in this Senate. Last July, the Senate Health, Education, Labor, and Pensions Committee held a hearing specifically on genetic discrimination in employment and what, if anything, the Senate should do about it. I testified at that hearing about a social worker who made the mistake of telling her coworkers that she had been the primary care-giver for her mother, who had died of Huntington's disease. Despite her own good health and her long history of outstanding performance reviews, she was fired. Why? Because there is a chance she might one day develop the same disease that killed her mother.

I also testified about a 40-year-old mother of two young children who agreed to participate in a genetic research study. She tested positive for BRAC1, the gene implicated in breast and ovarian cancer. After undergoing preventive surgery to remove her breast and ovaries to minimize the risk of cancer, she lost the insurance she received from her job. Then she lost her job. She, too, had a history of good work evaluations. Now she says she will never again participate in any health studies, and she will not allow her children to be tested.

While genetic discrimination may be relatively rare now, experts say that's only because genetic tests are still relatively rare. As testing becomes more affordable, and more common, experts tell us, the incidence of discrimination is likely to increase dramatically.

How many more times do we need to hear about lives that have been shattered by someone's misuse of genetic information before we say clearly: ''In America, you cannot discriminate against people because of their genetic makeup. Period.''

This is a matter that effects every one of us. We all have flaws in our genes.

With rare exceptions, genetic tests can't confirm if we will ever develop a particular disease. All they can tell us is that we might some day develop the disease. Or we might not. Is it fair for employers to use genetic information in deciding who to hire and who to fire?

More than 10 years ago, we passed the Americans with Disabilities Act. We agreed then that, in this country, you can't discriminate against someone because of a disability. Can we really believe now that employers and insurers ought to be allowed to discriminate against someone because he or she might someday develop a disability illness?

Last week, three insurance companies in England admitted for the first time that they test for Huntington's disease, a progressive and incurable neurological disorder. One insurer also admitted it uses experimental tests for breast and ovarian cancer and Alzheimer's disease.

Do we have to wait until insurers in this country start using genetic screening routinely before we set some reasonable legal guidelines for genetic tests? How many more wake-up calls do we need?

Last summer, shortly after he and Francis and Collins unveiled the sequencing of the human genome, Craig Venter wrote me a letter. In it, he warned that genetic discrimination ''is not a theoretical concern. Today, people who know they may be at risk for a genetic disease are foregoing diagnostic tests for fear they will lose their job or their health insurance.'' As a result, he said, ''the incentives for new discoveries and treatments based on our newly acquired genomic information are diminished, and the promising new era in medicine is delayed.''

There are some who say strong federal protections are not needed because a number of states have already passed bills to prevent genetic discrimination. They're right about one thing: many states have passed laws. I'm proud to report that South Dakota became the latest last Friday when it adopted legislation to curb the collection of a person's genetic information without informed consent. In all, 37 states have passed bills regarding genetic discrimination in health insurance, and 22 states have laws regarding genetic discrimination in the workplace.

Those laws represent progress. And they offer some protection. The problem with the current patchwork of state laws is that it contains major loopholes. For example: some states protect only DNA and RNA. Other states extend protection to family history data and other medical information that could offer some genetic clues. In addition, because of federal exemptions, state laws offer no protections to the one-in-three Americans who get their health insurance through their employer.

Others say this bill is not needed because the Americans with Disabilities Act already prohibits discrimination based on disability. The problem with that theory is: it's never been tested. The Burlington Northern case represents that first time a genetic discrimination suit has been brought specifically on the grounds that it violates the ADA. Maybe the court will decide that the ADA does cover genetic discrimination. Maybe it will decide that it doesn't. Either way, a definitive answer could take years. What is the harm of us acting now to say clearly that genetic discrimination will not be tolerated in America? What is the worst thing that could happen? That we end up with two laws, each protecting the same fundamental principle?

Last year, then-President Clinton signed an executive order banning genetic discrimination in federal employment. Our bill seeks merely to extend the same protections to private workplaces and insurers. The principles in our bill are supported by both Dr. Craig Venter and Dr. Francis Collins. They are also supported by the federal Advisory Committee on Genetic Testing, the Equal Employment Opportunity Commission and the departments of Labor, Justice, and Health and Human Services. More important, they are supported by a strong majority of the America people.

At the beginning of our nation's history, Thomas Jefferson wrote, ''laws and discoveries must go hand in hand with the progress of the human mind. As . . . new discoveries are made . . . institutions must advance also to keep pace with the times.''

Our new knowledge about the genetic blueprint has the potential to dramatically improve our health and the quality of our lives. However, if we don't respond to the wake-up call now, this new knowledge also has the potential to destroy lives. We simply cannot afford to take one step forward in science, while taking two steps backwards in civil rights!

The legislation we offer today will enable us to move forward in a way that will benefit—and protect—all Americans. I thank my colleagues—Senators KENNEDY, DODD, and HARKIN—for all their help in this endeavor. I also thank our colleagues in the House—particularly Congresswoman LOUISE SLAUGHTER, for her tireless effort to move our companion bill to the floor in that chamber. And I urge my colleagues to join us in answering the wake-up call now so that we can make sure the genetic revolution—which has been largely financed with American tax dollars—helps people—instead of hurting them.

Mr. HARKIN. Mr. President, I am pleased to introduce the ''Genetic Nondiscrimination in Health Insurance and Employment Act'' with Senator DASCHLE, Senator DODD, Senator KENNEDY, and other colleagues. This bill would bring our nondiscrimination policies into the 21st century.

Genetic discrimination is a terribly important issue and one that I have been following for quite some time now. My interest started in the late 1980s when I was first involved in the effort to fund the Human Genome Project at NIH. Looking back over the past ten years, this was one of the best investments our country has ever made. The advances in the study of the human gene are mind-boggling. Last

year, the Human Genome Project and Celera Genomics announced that scientists had mapped the entire human genome. Just yesterday, these same scientists reported the probable number of human genes at 30,000 to 40,000 (only twice as many genes as your run-of-the-mill roundworm).

The impact of these discoveries will go far beyond the laboratory. The mapping of the human genome will mean enormous gains in science and the provision of health care. The identification of a number of disease-related genes has already provided scientists with important new tools for understanding the underlying mechanisms for many illnesses. And genomic technologies have the potential to lead to better diagnosis and treatment, and, ultimately, the prevention and cure of many diseases and disabilities.

However, without genetic discrimination protections, people will be deterred from using genetic technologies that detect and prevent the onset of life-threatening diseases.

Discrimination in health insurance and employment, and the fear of potential discrimination, threaten our ability to conduct the very research we need to understand, treat, and prevent genetic disease. Moreover, discrimination—and the fear of discrimination—threaten our ability to use new genetic technologies to improve human health. As a result, our rapid, scientific progress could be rendered meaningless for the every day American.

Let me give you just a few examples:

In the early 1970's some insurance companies denied coverage and some employers denied jobs to African-Americans who were identified as carriers for sickle-cell anemia, even though they were healthy and would never develop the disease.

More recently, in a survey of people in families with genetic disorders, 22 percent indicated that they, or a member of their family, had been refused health insurance on the basis of their genetic information.

And a number of researchers have been unable to get individuals to participate in cancer genetics research. Fear of discrimination is cited as the reason why.

But this is more than just about numbers and anonymous individuals, it's about real people—including my own family. As many of you know, both my sisters died from breast cancer. And other members of my family might be at risk. Should I counsel them to get tested for the BRCA1 and BRCA2 mutations? Should I counsel them to disclose our family history to their health care providers?

Right now, I'm torn. I know that if my family is to have access to the best available interventions and preventive care, they should get tested, and they should disclose our family's medical history to their physicians. But, conversely, if they are to get any health care at all, they must have access to health insurance. Without strong protections against discrimination, access to health insurance is currently in question.

In 1995, I introduced an amendment during the mark-up of the Health Insurance Portability and Accountability Act. My amendment clarified that group health plans could not establish eligibility, continuation, enrollment, or contribution requirements based on genetic information. The amendment became part of the manager's package that went to the floor, and it ultimately became law.

HIPAA is a good first step. We should be proud of that legislation. Yet if our goal is to ensure that individuals have access to health insurance coverage and to employment opportunities—regardless of their genetic makeup—we must ensure that they are protected against discrimination on the basis of their genetic makeup.

Our proposed legislation offers such protections. Let me describe them in brief:

First, this legislation prohibits insurers and employers from discriminating on the basis of protected genetic information. It is essential to prohibit discrimination both at work and in health insurance coverage. If we only prohibit discrimination in the insurance context, employers who are worried about future increased medical costs or increased sick time will simply not hire individuals who have a genetic predisposition to a particular disease.

Second, under our proposal, health insurance companies are prohibited from disclosing genetic information to other insurance companies, industry-wide data banks, and employers. If we really want to prevent discrimination, we should not let genetic information get into the wrong hands in the first place.

Finally, if protections against genetic discrimination are to have teeth, we must include strong penalties and remedies to deter employers and insurers from discriminating in the first place.

This bill will ensure that every American will enjoy the latest advances in scientific research and health care delivery, without fear of retribution on the basis of their sensitive genetic information. All of us should be concerned about this issue, because all of us have genetic information that could be used against us. As we move into the new millennium, everyone should enjoy the benefits of 21st century technologies—and not be harmed by 21st century discrimination.

I applaud the commitment of my fellow co-sponsors on this important issue and look forward to working with my colleagues on both sides of the aisle to pass federal legislation that will prohibit genetic discrimination in the workplace and in health insurance.

Mr. DODD. Mr. President, over the past decade the science of identifying genetic markers for diseases has evolved at an astonishing pace. For an increasing number of Americans, science fiction has become reality—their doctors can now scan their unique genetic blueprints and predict the likelihood of their developing diseases like cancer, Alzheimer's or Parkinson's.

Armed with this knowledge, individuals and families can make informed decisions about their health care including, in some cases, even taking steps to prevent the disease or to detect and treat it early. Unfortunately, however, phenomenal advances in our knowledge about genetics have outpaced the protections currently provided in law. Thus, the potential also exists for this information to be used by health insurers or employers to deny health coverage or job opportunities.

And, in fact, recent events have catapulted the issue of genetic discrimination from a potential concern to a devastating reality. Just this week, the U.S. Equal Employment Opportunity Commission filed a lawsuit against an employer for requiring genetic testing of employees who file injury claims. Additionally, a recent survey of over 2,000 companies conducted by the American Management Association showed that 18.1 percent of companies require genetic or medical family history data from employees or job applicants. According to the same survey, 26.1 percent of the companies that require genetic or family medical history tests use the results of those tests in hiring decisions.

We know that Federal and State laws currently offer only a patchwork of protections against the misuse of genetic information. While the Health Insurance Portability and Accountability Act of 1996 took important first steps toward prohibiting genetic discrimination in health insurance, it left large gaps. For example, it does not prohibit insurers from requiring genetic testing or from disclosing genetic information and offers no protection at all for people who must buy their insurance in the individual market. And, while several States, including Connecticut, have enacted legislation prohibiting health insurance discrimination, these laws can not protect the 51 million individuals in employer-sponsored ''self-funded'' health plans. Additionally, few States have chosen to address the issues of employment discrimination or the separate issue of the privacy of genetic records.

I know from personal experience that this issue is not a partisan one. Four years ago, I joined Senator DOMENICI in introducing one of the first bills on this critical topic, addressing both insurance and employment discrimination. And two years ago, along with many of my Democrat colleagues, I joined Senator SNOWE in supporting strong legislation protecting patients from genetic discrimination in insurance.

Today I am pleased to join my colleagues, Senator DASCHLE, Senator HARKIN and Senator KENNEDY in introducing comprehensive legislation to

safeguard the privacy of genetic information and prohibit health insurance or employment discrimination based on genetic information. Specifically, this legislation would prohibit health insurers from discriminating based on genetic predisposition to an illness or condition and would prevent insurers from requiring applicants for health insurance to submit to genetic testing. This bill would also address concerns about employment discrimination by preventing employers from firing or refusing to hire individuals who may be susceptible to a genetic condition. Finally, this legislation holds employers and insurers accountable by imposing strong penalties those who violate these provisions.

Three years ago, in a visit to Yale University's Genetic Testing Center I had the opportunity to glimpse cutting edge uses of that technology. I also had the opportunity, however, to hear the fears expressed by the patients at the center. On that visit I met with Keith Hall, who has been a patient at Yale for several years—since he was first diagnosed with Tuberous Sclerosis, a genetic disease that causes tumors of the brain, kidney and other organs, and sometimes mental retardation. Keith worries about what would happen to his insurance if he ever had to switch jobs.

I also met with Ashley Przybylski, an 11-year-old girl from Oxford, CT. Ashley suffers from a genetic nutritional disorder that can cause seizures and brain damage. While currently the family's insurance covers the exorbitant cost of the medication that keeps her healthy—$33,000 a year—Ashley faces the prospect of being denied coverage when she gets older.

While we as a Nation welcome these scientific achievements, it is critical we ensure that they be applied for the purposes of preventing or treating disease, rather than for denying health insurance or employment to individuals. This issue is too important to ignore for yet another year. Each day that passes more individuals suffer discrimination. Each day that we fail to act, more families will be forced to make decisions about genetic testing based, not on their health care needs, but on fear.

I pledge my commitment to ensuring that continued progress in science is matched by progress in creating protections against discrimination and establishing fundamental rights to privacy. I'd like to again thank my colleagues, Senator DASCHLE, Senator KENNEDY and Senator HARKIN for joining me in introducing this legislation.

Mr. KENNEDY. Mr. President, this week, scientists announced the completion of a task that once seemed unimaginable—deciphering the entire DNA sequence of the human genetic code. This amazing accomplishment is likely to affect the 21st century as profoundly as the invention of the computer or the splitting of the atom affected the 20th century.

These new discoveries bring remarkable new opportunities for improving health care. But they also carry the danger that genetic information will be used—not to improve the lives of Americans—but as a basis for discrimination. Discrimination on the basis of a person's genetic traits—such as those associated with cancer, Huntington's disease, or sickle cell anemia—is as unacceptable as discrimination on the basis of gender, race, or religion. No American should be denied health insurance or fired from a job based on the results of a genetic test.

People need access to genetic testing, in order to seek treatments to extend and improve their lives. Yet, the vast potential of genetic knowledge to improve health care will go unfulfilled, if patients fear that information about their genetic characteristics will be used as the basis for discrimination. Congress has a responsibility to guarantee that private medical information remains private, and that genetic information cannot be used for improper purposes.

The Genetic Non-Discrimination in Health Insurance and Employment Act guarantees these protections. It gives the American people the protections they need and deserve against genetic discrimination. It prohibits employers from using genetic information to discriminate in the workplace in hiring, promotion, pay or other workplace rights and privileges. And it gives victims of genetic discrimination the right to seek remedies through legal action.

In too many cases today the promise of genetic research is being squandered, because patients rightly fear that information about their genes will be used against them in the workplace or in health insurance. Study after study reports that the vast majority of Americans are concerned about taking a genetic test, for fear that employers will have access to the information. The Journal of the American Medical Association reported that 57 percent of women at risk for breast or ovarian cancer had refused to take a genetic test that could have identified their risk for cancer and assisted them in receiving medical treatment to prevent the onset of these diseases because they feared reprisals for doing so. Tragically, the vast potential of genetic knowledge to improve health care will go unfulfilled if patients fear that information about their genetic characteristics will be used as the basis for job discrimination or other prejudices.

And that fear is clearly well-founded. Genetic discrimination is a real and frightening problem, and it is happening right now. Last Saturday reports of mandatory genetic testing of employees made headline news—and the testing was being conducted by one of the largest railroads in this country. One employee was informed by the railroad that he would be fired for refusing to submit to the genetic testing.

This is just the tip of the iceberg of what is becoming a routine and pervasive employer practice as genetic testing becomes more accessible and economical. Today, employers and insurers often require and use this information to deny health coverage, refuse a promotion, or reject a job applicant—all in the absence of any symptoms of disease. According to a 1995 study by Georgetown University, people have been required to provide information about genetic diseases, disabilities, or family medical history on job applications and have been denied jobs or have lost jobs because of a family genetic condition.

Moreover, a recent survey by the American Management Association of over 2,000 companies showed that more than 18 percent of companies require genetic tests or data on family medical history from employees or job applicants. According to the same survey, more than 26 percent of the companies that require this information use it in hiring decisions.

Experts in genetics are virtually unanimous in calling for strong protections to prevent this misuse and abuse of science. The Department of Health and Human Services' advisory panel on genetic testing—consisting of experts in law, science, medicine and business—recommended unambiguously that ''Federal legislation should be enacted to prohibit discrimination in employment and health insurance based on genetic information.'' Dr. Craig Venter, the president of Celera Genomics, who led the privately-financed aspect of the gene sequencing research, has spoken of the ''immediate threat . . . [of] genetic discrimination. . . . [H]uman rights and civil rights law will have to be updated to include this new class of diagnosed person. At this stage, one can only imagine the future potential of abuse,'' he said.

With time, the potential for genetic discrimination will only grow stronger and federal legislation to establish minimum protections is needed to ensure that advances in research and technology are not used to discriminate against workers. Without strong protections guaranteeing that private medical information remains private and that genetic information can not be used for improper purposes, we will squander the unprecedented opportunities presented by these new discoveries, and the health and welfare of large numbers of our fellow citizens will be put at risk.

I commend our leader, Senator DASCHLE, for introducing this important legislation that will give the American people the protections against genetic discrimination they need and deserve. The Genetic Non-Discrimination in Health Insurance and Employment Act will prohibit insurers from denying or abridging health care coverage on the basis of genetic test results. It will protect employees from discrimination on the basis of their unalterable genetic inheritance. The Act safeguards Americans' private genetic information from

unauthorized disclosures to employers, banks, and others who should not have access to this most sensitive of personal information. And, because a right without a remedy is no right at all, this important measure would provide persons who have suffered genetic discrimination in either arena with the right to seek redress through legal action. I urge my colleagues to join Senator DASCHLE and me in supporting the Genetic Non-Discrimination in Health Insurance and Employment Act.

By Mr. MCCAIN (for himself, Mr. HOLLINGS, and Mrs. HUTCHISON):

S. 319. A bill to amend title 49, United States Code, to ensure that air carriers meet their obligations under the Airline Customer Service Agreement, and provide improved passenger service in order to meet public convenience and necessity; to the Committee on Commerce, Science, and Transportation.

Mr. MCCAIN. Mr. President, this morning the Commerce Committee heard testimony from the Department of Transportation Inspector General on the airlines' efforts to meet their voluntary Airline Customer Service Commitment. The IG reported that the airlines had made progress in their customer service areas. He also noted that the airlines were deficient in many areas of their commitment. The IG recommended that Congress take some measures to ensure that the airlines continue to make progress on the passenger service front.

To that end, I am introducing the Airline Customer Service Improvement Act, along with Senators HOLLINGS, HUTCHISON, and WYDEN.

This bill implements the recommendations set forth by the Inspector General in his final report. Specifically, the bill requires each air carrier to incorporate the voluntary Airline Customer Service Commitment into its contract of carriage. In addition, the bill requires each air carrier to specifically disclose information recommended by Mr. Mead, such as the on-time performance rates of specific flights and the airlines' policy with respect to overnight accommodations.

The bill also directs the Department of Transportation to raise the compensation required for passengers involuntarily bumped from a flight. This regulation has not been updated in more than 20 years.

The bill also directs the Department of Transportation to change the way it calculates lost and mishandled baggage statistics, so that these statistics will more accurately represent the problems that passengers face.

Finally, consistent with the IG's recommendations, the bill requires the airlines to report on their efforts to establish targets for reducing the number of chronically-delayed and canceled flights, and establishing a system passengers may use to determine if their flight has been delayed or canceled.

In short, this legislation does not seek to legislate good customer service. This legislation seeks to provide the airlines and the Department of Transportation with the incentives to ensure that good customer service remains high on everyone's priority list.

Let me make clear that this bill is just one small step towards fixing the system. This bill does not begin to address the many problems facing the airline industry. Capacity, congestion, antiquated air traffic control systems, and labor all have had detrimental effects on our system and, consequently, customer service. The Commerce Committee will continue to explore ways to improve the efficiency of our aviation system. We will all need to work together to fix the multitude of problems that airline customers face everyday.

I look forward to working together with my fellow Senators on this and other ways to address the needs of our aviation system.

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

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

S. 319

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Airline Customer Service Improvement Act''.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The Inspector General of the Department of Transportation has found that the airlines' voluntary commitment to better service, set forth in the Airline Customer Service Commitment, has resulted in positive changes in how air travelers are treated.

(2) While the Inspector General's Final report noted that the voluntary effort has produced benefits faster than a legislative or regulatory mandate, which could have taken years to implement, the Inspector General has recommended additional changes that require legislation and regulations.

(3) The Airline Customer Service Commitment has prompted the airlines to address consumer concerns in many areas, ranging from providing information more accurately on delays to explaining that lower fares may be available through the Internet.

(4) The airlines were cooperative with, and responsive to, many of the suggestions the Inspector General made in the interim report last year.

(5) The Inspector General has determined that, while there has been significant progress in improving airline customer service, certain areas covered by the Airline Customer Service Commitment are in need of significant clarification and improvement and, where appropriate, enforcement action.

SEC. 3. DEPARTMENT OF TRANSPORTATION TO DEVOTE GREATER RESOURCES TO AIRLINE PASSENGER CONSUMER PROTECTION.

(a) IN GENERAL.—The Secretary of Transportation shall increase the resources of the Department of Transportation allocated to providing—

(1) airline passenger consumer protection and related services; and

(2) oversight and enforcement of laws and regulations within the jurisdiction of the Department that provide protection for air travelers.

(b) REPORT.—Within 60 days after the date of enactment of this Act, the Secretary shall report to the Senate Committee on Commerce, Science, and Transportation and the House Committee on Transportation and Infrastructure measures taken by the Secretary to carry out subsection (a), together with a request for additional funds or measures, if necessary, to carry out that subsection fully.

SEC. 4. AIRLINE CUSTOMER SERVICE COMMITMENT.

(a) IN GENERAL.—Chapter 417 of title 49, United States Code, is amended by adding at the end the following:

''SUBCHAPTER IV. AIRLINE CUSTOMER SERVICE

''§ 41781. Airline customer service requirements

''(a) IN GENERAL.—Within 60 days after the date of enactment of the Airline Customer Service Improvement Act, each large air carrier shall incorporate the provisions of the Airline Customer Service Commitment executed by the Air Transport Association and 14 of its member airlines on June 17, 1999, in its contract of carriage.

''(b) ADDITIONAL OBLIGATIONS.—Within 60 days after the date of enactment of the Airline Customer Service Improvement Act, each large air carrier shall institute the following practices:

''(1) Include fares available at the air carrier's ticket offices and airport ticket service counters when quoting the lowest fare available to passengers.

''(2) Notify customers that lower fares may be available through other distribution systems, including Internet websites.

''(3) Provide, no later than the 5th day of each month, the air carrier's on-time performance rate for each scheduled flight for the most recently-ended month for which data is available through its Internet website.

''(4) Disclose, without being requested, the on-time performance and cancellation rate for a chronically-delayed or canceled flight whenever a customer makes a reservation or purchases a ticket on such a flight.

''(5) Establish a plan with respect to passengers who must unexpectedly remain overnight during a trip due to flight delays, cancellations, or diversions.

''(6) Tell all passengers on a flight what the air carrier is required to pay passengers involuntarily denied boarding before making offers to passengers to induce them voluntarily to relinquish seats.

''(c) COMPLIANCE ASSURANCE.—

''(1) AIR CARRIER FUNCTIONS.—Each large air carrier also shall—

''(A) establish a customer service quality assurance and performance measurement system within 90 days after the date of enactment of the Airline Customer Service Improvement Act;

''(B) establish an internal audit process to measure compliance with the commitments and its customer service plan within 90 days after the date of enactment of the Airline Customer Service Improvement Act; and

''(C) cooperate fully with any Department of Transportation audit of its customer service quality assurance system or review of its internal audit.

''(2) DOT FUNCTIONS.—The Secretary of Transportation shall—

''(A) monitor compliance by large air carriers with the requirements of this section and take such action under subpart IV of this title as may necessary to enforce compliance with this section under subpart IV of this title;

''(B) monitor air carrier customer service quality assurance and performance measurement systems to ensure that air carriers are meeting fully their airline passenger service commitments; and

''(C) review the internal audits conducted by air carriers of their air carrier customer service quality assurance and performance measurement systems.

''(d) DEFINITIONS.—In this section—

''(1) LARGE AIR CARRIER.—The term 'large air carrier' means an air carrier holding a certificate issued under section 41102 that—

''(A) operates aircraft designed to have a maximum passenger capacity of more than 60 seats or a maximum payload capacity of more than 18,000 pounds; or

''(B) conducts operations where one or both terminals of a flight stage are outside the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico and the U.S. Virgin Islands.

''(2) CHRONICALLY DELAYED OR CANCELED.—A flight shall be considered to be chronically-delayed or canceled if at least 40 percent of the flight's departures are delayed for at least 15 minutes or at least 40 percent of the flights are canceled.''.

(b) ENFORCEMENT.—Section 46301(a)(7) of title 49, United States Code, is amended by striking ''40112 or 41727'' and inserting ''40112, 41727, or 41781''.

(c) CONFORMING AMENDMENT.—The chapter analysis for chapter 417 of title 49, United States Code, is amended by adding at the end the following:

''SUBCHAPTER IV. AIRLINE CUSTOMER SERVICE

''41781. Airline customer service requirements''.

SEC. 5. OTHER SERVICE-ENHANCING IMPROVEMENTS.

(a) IN GENERAL.—Within 90 days after the date of enactment of this Act, each large air carrier (as defined in section 41781(d)(1)) shall—

(1) establish realistic targets for reducing chronically-delayed and canceled flights;

(2) establish a system passengers may use before departing for the airport to determine whether there is a lengthy flight delay or whether a flight has been canceled;

(3) develop and implement a system for tracking and documenting the amount of time between the receipt of a passenger's claim for missing baggage and the delivery of the baggage to the passenger, including the time taken by a courier or other delivery service to deliver found baggage to the passenger;

(4) monitor and report its efforts to improve services provided to passengers with disabilities and special needs, including services provided at airports such as check-in, passenger security screening (particularly for passengers who use wheelchairs), boarding, and disembarkation;

(5) clarify terminology used to advise passengers of unscheduled delays or interruptions in service, such as ''extended period of time'' and ''emergency'', in order better to inform passengers about what they can expect during on-board delays;

(6) ensure that comprehensive passenger service contingency plans are properly maintained and that the plans, and any changes to those plans, are coordinated with local airport authorities and the Federal Aviation Administration;

(7) ensure that master airport flight information display monitors contain accurate, up-to-date flight information and that the information is consistent with that shown on the carrier's flight information display monitors;

(8) establish a toll-free telephone number that a passenger may use to check on the status of checked baggage that was not delivered on arrival at the passenger's destination;

(9) if it maintains a domestic code-share arrangement with another air carrier, conclude an agreement under which it will conduct an annual audit of that air carrier's compliance with the other air carrier's airline customer service commitment; and

(10) if it has a frequent flyer program, make available to the public a comprehensive report of frequent flyer redemption information in their customer literature and annual reports, including information on the percentage of successful redemption of frequent flyer awards and the number of seats available for such awards in the air carrier's top 100 origin and destination markets.

(b) INITIAL RESPONSE REPORTS.—

(1) AIR CARRIERS.—Within 90 days after the date of enactment of this Act, each large air carrier shall report to the Secretary of Transportation on its implementation of the obligations imposed on it by this Act.

(2) SECRETARY.—Within 270 days after the date of enactment of this Act, the Secretary of Transportation shall report to the Congress on the implementation by large air carriers of the obligations imposed on them by this Act, together with such additional findings and recommendations for additional legislative or regulatory action as the Secretary deems appropriate.

SEC. 6. IMPROVED DOT STATISTICS.

(a) MISSING BAGGAGE.—In calculating and reporting the rate of mishandled baggage for air carriers, the Department of Transportation shall not take into account passengers who do not check any baggage.

(b) CHRONICALLY DELAYED OR CANCELED FLIGHTS.—The Office of Aviation Enforcement and Proceedings of the Department of Transportation in coordination with the Bureau of Transportation Statistics of the Department of Transportation, shall include a table in the Air Travel Consumer Report that shows flights chronically delayed by 15 minutes or more and flights canceled 40 percent or more for 3 consecutive months or more.

SEC. 7. DOT REGULATIONS ON BUMPING.

(a) UNIFORM CHECK-IN DEADLINE.—The Secretary of Transportation shall initiate a rulemaking within 30 days after the date of enactment of this Act to amend the Department of Transportation's Regulations to establish a uniform check-in deadline and to require air carriers to disclose, both in their contracts of carriage and on ticket jackets, their policies on how those deadlines apply to passengers making connections.

(b) BUMPED PASSENGER COMPENSATION.—The Secretary of Transportation shall initiate a rulemaking within 30 days after the date of enactment of this Act to amend the Department of Transportation's Regulation (14 C.F.R. 250.5) governing the amount of denied boarding compensation for passengers denied boarding involuntarily to increase the maximum amount thereof.

(c) CLARIFY CERTAIN TERMS.—The Secretary of Transportation shall clarify the terms ''any undue or unreasonable preference or advantage'' and ''unjust or unreasonable prejudice or disadvantage'', as used in section 250.3 of the Department of Transportation's Regulations (14 C.F.R. 250.3), for purposes of air carrier priority rules or criteria for passengers denied boarding involuntarily.

Mr. HOLLINGS. Mr. President, I join with Senator MCCAIN in co-sponsoring the Airline Customer Service Improvement Act. The Commerce Committee has spent a great deal of time seeking ways to hold the air carriers accountable for their service and to force them to do a better job. Deregulation was supposed to make the carriers compete for our business, but it has failed. We now have hundreds of markets with no competition, and without competition, you get no service. Carriers have treated consumers like cattle in a stockyard, and that must end.

It is time to stand up for all travelers and demand basic information, and to expect service if we are paying the high fares.

The Commerce Committee has held three hearings, enlisted the Department of Transportation's Inspector General, and experienced the lack of service, first hand. It is not complicated, but it does take a commitment from the industry to hire more people and give them the tools to tell consumers what is going on or why a flight is canceled or delayed. Flights delayed 30, 40 percent of the time, according to DOT statistics, or canceled that often, should be eliminated or schedules changed.

Telling people truthfully what is happening, providing basic necessities when flights are delayed for hours on end like they were in Detroit in January 1999, is not hard.

The chairman and I have waited patiently to proceed with legislation in anticipation of a final report by the Department of Transportation's Inspector General, Ken Mead. The report, released Monday, is a blueprint for change. Mr. Mead and his staff, David Dobbs, Lexi Stefani, Brian Dettleback, and Scott Morris, worked long and hard to find the best way to make improvements in service.

The report notes that reducing delays is a tough problem, requiring funding and industry action. We have an air transportation system in crisis, from every angle, nonetheless that is no excuse for poor service. There are more people flying, more planes landing, an increase in delays (up 33% since 1995), a critical shortage of runways, and airlines able to dictate the price and quality of service offered in many markets without regard to competition. Delays will continue to plague the system, but the carriers know this, and their Customer Service Commitments were done in light of known problems. We will work with the industry on many facets of expanding capacity, but it is their job to improve service.

The carriers all to often want to cite the government as the reason for their problems. I do not buy that. These carriers have more data than virtually any industry, and make educated guesses on pricing and scheduling every day. They know the likelihood of delays. Even weather, which is unpredictable on a daily basis, is something they can anticipate. I know right now we will have thunderstorms this summer, and snow storms next winter. How will the carriers treat people during those times? I know my flight is likely to be delayed—the reasons may vary, but the process by which you tell people basic information should not be hard. Some of the carriers have attempted improvements. At a hearing last June, one carrier demonstrated a

new automatic system that more quickly tells people what to expect. Another carrier has ''chariots'' that set up temporary service counters during emergency periods. An ad this past weekend touted ways to electronically tell passengers that a flight is late. These are a start, but there is a long road to go.

The Air Transport Association last month announced a number of initiatives on ways to reduce delays. The ATA called on the President to hire a 1000 more controllers, use satellites to track planes and to redesign our airspace—all actions that could increase capacity. I support those initiatives, but we had better tell the Administration not to reduce the FAA's budget by hundreds of millions of dollars, which they apparently are considering.

The Senate is going to spend the time to increase competition, to improve service, and to put back the notion of the public's needs as a priority.

By Mr. GRASSLEY (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. BAUCUS, Ms. SNOWE, Mr. ROCKEFELLER, Mr. DASCHLE, Mr. BREAUX, Mr. CONRAD, Mr. GRAHAM, Mr. BINGAMAN, Mr. KERRY, Mr. TORRICELLI, Mrs. LINCOLN, Mr. AKAKA, Mr. BAYH, Mr. BIDEN, Mrs. BOXER, Mr. BYRD, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Ms. COLLINS, Mr. CORZINE, Mr. CRAPO, Mr. DAYTON, Mr. DEWINE, Mr. DODD, Mr. DOMENICI, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mrs. FEINSTEIN, Mr. FRIST, Mr. HARKIN, Mr. HELMS, Mr. INOUYE, Mr. JOHNSON, Mr. KOHL, Mrs. LANDRIEU, Mr. LEAHY, Mr. LEVIN, Mr. LIEBERMAN, Mr. LUGAR, Ms. MIKULSKI, Mrs. MURRAY, Mr. NELSON of Florida, Mr. REED, Mr. REID, Mr. ROBERTS, Mr. SANTORUM, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Mr. THOMAS, Mr. THURMOND, Mr. WARNER, and Mr. WELLSTONE):

S. 321. A bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, it is with great pleasure that I announce the introduction of the Family Opportunity Act of 2001. I pledge my commitment to working with Senator KENNEDY and others in a bi-partisan, bicameral way for the passage of the Family Opportunity Act this year.

We have a common-sense bill. Our bill is pro-family because it keeps families together. It's pro-work because it lets parents work without losing their children's health care. It's pro-taxpayer because it lets people earn money and help pay their own way for Medicaid coverage.

Why is this legislation so necessary? As a parent, your main objective in life is to provide for your child to the best of your ability. Our federal government takes this goal and turns it upside down for the parents of children with special health care needs. The government forces these parents to choose between family income and their children's health care. That's a terrible choice.

Families have to remain in poverty just to keep Medicaid. Obviously this affects entire families, not just the child with the health care needs. The story of an Iowan family illustrates this point. Daniel, the 18-year-old son of Melissa Arnold, can't work part-time for fear of jeopardizing his brother's Medicaid coverage.

I know of another family whose son was paralyzed after a diving accident. The family exhausted $1 million of private insurance. Then they had to pay $1,500 a day on their own just to keep their son alive. Yet another family has a 4-year-old son who functions at an infant's level. This little boy takes anti-seizure medication that costs about $150 every two weeks. His nutritional supplement is $10 a day. He'll always wear diapers. All of those costs come out of his parents' pocket.

Most families just can't afford those costs.

Why is Medicaid so desirable? It's critical to the well-being of children with multiple medical needs. Medicaid covers services that are difficult to find in private health plans. A child with a severe disability may need special medical equipment or physical therapy on a regular basis just in order to be able to eat.

Our bill creates a state option to allow working parents who have a child with a disability to keep working and to still have access to Medicaid for their child. Parents would pay for Medicaid coverage on a sliding scale. No one would have to become impoverished or stay impoverished to secure Medicaid for a child.

The legislation recognizes a universal truth. Everybody wants to use their talents to the fullest potential, and every parent wants to provide as much as possible for his or her children. The government shouldn't get in the way. I look forward to working with my colleagues for passage of the Family Opportunity Act this year.

Mr. KENNEDY. Mr. President, it is an honor to once again join my colleague Senator Chuck GRASSLEY in introducing the Family Opportunity Act of 2001—the hallmark of which is to remove the health care barriers for children with disabilities that so often prevent families from staying together and staying employed.

Despite the extraordinary growth and prosperity the country is enjoying today, families of disabled and special needs children continue to struggle to keep their families together, live independently and become fully contributing members of their communities.

More than 8 percent of children in this country have significant disabilities, many of whom do not have access to critical health services they need to maintain and prevent deterioration of their health status. To get needed health services for their children, families are being forced to become poor, stay poor, put their children in out of home placements, or simply give up custody of their children—all so that their children can qualify for the comprehensive health coverage available under Medicaid.

In a recent survey of 20 states, families of special needs children report they are turning down jobs, turning down raises, turning down overtime, and are unable to save money for the future of their children and family —so that their child can stay eligible for Medicaid through the Social Security Income (SSI) Program.

Today we are reintroducing legislation intended to close the health care gap for the Nation's most vulnerable population, and enable families of disabled children in this country to be equal partners in the American dream.

In the words of President George W. Bush in his ''New Freedom Initiative'', ''Too many Americans with disabilities remain trapped in bureaucracies of dependence, and are denied the access necessary for success—and we need to tear down these barriers''.

The Family Opportunity Act of 2001 will tear down the unfair barriers to needed health care that so many disabled and special needs children are being denied.

It will make health insurance coverage more widely available for children with significant disabilities, through opportunities to buy-in to Medicaid at an affordable rate.

It will allow states to develop a demonstration program to provide a medicaid buy-in for children with potentially significant disabilities who without needed health services will become severely disabled.

States will have more flexibility to offer disabled children needed health services at home and in their communities.

It will establish Family to Family Information Centers in each state to help families with special needs children.

The passage of the Work Incentives Improvement Act of 1999 showed the commitment of this Nation to ensure that people with disabilities have the right to lead independent and productive lives without giving up their health care. It is now time for Congress to show that same commitment to our country's children with disabilities and their families.

I look forward to working with all members of Congress to move this legislation forward and give disabled children and their families across the country a better opportunity to fulfill their dreams and fully participate in the social and economic mainstream of our Nation.

By Mr. COCHRAN (for himself, Mr. FRIST, and Mr. LEAHY):

S.J. Res. 5. A joint resolution providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution; to the Committee on Rules and Administration.

Mr. COCHRAN. Mr. President, today I am introducing a Senate joint resolution appointing a citizen regent to the Board of Regents of the Smithsonian Institution. I am pleased that my fellow Smithsonian Institution Regents, the Senator from Tennessee, Mr. FRIST, and the Senator from Vermont, Mr. LEAHY, are cosponsors.

At its meeting on January 22, 2001, the Smithsonian Institution Board of Regents recommended Dr. Walter E. Massey for appointment to the Smithsonian Institution Board of Regents.

I ask unanimous consent that the biography of the nominee and the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 5

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. APPOINTMENT OF CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION.

(a) IN GENERAL.—In accordance with section 5581 of the Revised Statutes (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of Frank A. Shrontz of Washington on May 4, 2000, is filled by the appointment of Walter E. Massey of Georgia.

(b) TERM.—The appointment is for a term of 6 years beginning on the date of enactment of this joint resolution.

BIOGRAPHY

Massey, Walter Eugene, physicist, science foundation administrator; b. Hattiesburg, Miss., Apr. 5, 1938; s. Almor and Essie (Nelson) M.; m. Shirley Streeter, Oct. 25, 1969; children: Keith Anthony, Eric Eugene. BS, Morehouse Coll., 1958; MA, Washington U., St. Louis, 1966, PhD, 1966. Physicist Argonne (Ill.) Nat. Lab., 1966–68; asst. prof. physics U. Ill., Urbana, 1968–70; assoc. prof. Brown U., Providence, 1970–75, prof., dean of Coll., 1975–79; prof. physics U. Chgo., 1979–93; dir. Argonne Nat. Lab., 1979–84; v.p. for rsch. and for Argonne Nat. Lab. U. Chgo., 1984–91; dir. NSF, Washington, 1991–93; sr. v.p. acad. affairs U. Calif. System, 1993–95; pres. Morehouse Coll., Atlanta, 1995—; mem. NSB, 1978–84; cons. NAS, 1973–76. A scientist and educator for the past 30 years, with significant influence in higher education (especially science and math education) and in educational administration, Walter Massey has done extensive research in the study of quantum liquids and solids. In 1966, while a physics professor at the University of Chicago, he was instrumental in the founding of the Argonne National Laboratory for the University, where he served as director from 1979–84. He was responsible for budget planning and allocations and programmatic oversight of the three national laboratories managed by the University of California from 1993–95. He is currently the ninth president of Morehouse College, the nation's only historical black, four-year liberal arts college for men. Contbr. articles on sci. edn. in secondary schs. and in theory of quantum fluids to profl. jours. Bd. fellows Brown U., 1980–90, Mus. Sci. and Industry, Chgo., 1980–89, Ill. Math. and Sci. Acad., 1985–88; bd. dirs. Urban League R.I., 1973–75. NAS fellow, 1961, NDEA fellow, 1959–60, AAAS fellow, 1962. Mem. AAAS (bd. dirs. 1981–85, pres.-elect 1987–88, pres. 1988–89, chmn. 1989–90), Am. Phys. Soc. (councillor-at-large 1980–83, v.p. 1990), Sigma Xi. Office: Morehouse Coll 830 Westview Dr SW Atlanta GA 30314–3773.

ADDITIONAL COSPONSORS

S. 8

At the request of Mr. DASCHLE, the names of the Senator from Maryland (Mr. SARBANES) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 8, a bill to improve the economic security of workers, and for other purposes.

S. 11

At the request of Mrs. HUTCHISON, the names of the Senator from New Hampshire (Mr. SMITH), the Senator from West Virginia (Mr. BYRD), and the Senator from Colorado (Mr. ALLARD) were added as cosponsors of S. 11, a bill to amend the Internal Revenue Code of 1986 to eliminate the marriage penalty by providing that the income tax rate bracket amounts, and the amount of the standard deduction, for joint returns shall be twice the amounts applicable to unmarried individuals, and for other purposes.

S. 19

At the request of Mr. DASCHLE, the names of the Senator from Minnesota (Mr. WELLSTONE) and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 19, a bill to protect the civil rights of all Americans, and for other purposes.

S. 29

At the request of Mr. BOND, the names of the Senator from New Hampshire (Mr. SMITH) and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 29, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

S. 39

At the request of Mr. STEVENS, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Georgia (Mr. CLELAND), the Senator from Nevada (Mr. REID), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Delaware (Mr. BIDEN), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 39, a bill to provide a national medal for public safety officers who act with extraordinary valor above and beyond the call of duty, and for other purposes.

S. 60

At the request of Mr. BYRD, the names of the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Indiana (Mr. BAYH), and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. 60, a bill to authorize the Department of Energy programs to develop and implement an accelerated research and development program for advanced clean coal technologies for use in coal-based electricity generating facilities and to amend the Internal Revenue Code of 1986 to provide financial incentives to encourage the retrofitting, repowering, or replacement of coal-based electicity generating facilities to protect the environment and improve efficiency and encourage the early commercial application of advanced clean coal technologies, so as to allow coal to help meet the growing need of the United States for the generation of reliable and affordable electricity.

S. 77

At the request of Mr. DASCHLE, the names of the Senator from Washington (Mrs. MURRAY), the Senator from California (Mrs. BOXER), the Senator from Connecticut (Mr. DODD), and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 77, a bill to amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes.

S. 123

At the request of Mrs. FEINSTEIN, the names of the Senator from Montana (Mr. BAUCUS) and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of S. 123, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

S. 126

At the request of Mr. CLELAND, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. 126, a bill to authorize the President to present a gold medal on behalf of Congress to former President Jimmy Carter and his wife Rosalynn Carter in recognition of their service to the Nation.

S. 128

At the request of Mr. JOHNSON, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 128, a bill to amend the Federal Deposit Insurance Act to require periodic cost of living adjustments to the maximum amount of deposit insurance available under that Act, and for other purposes.

S. 131

At the request of Mr. JOHNSON, the names of the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of S. 131, a bill to amend title 38, United States Code, to modify the annual determination of the rate of the basic benefit of active duty educational assistance under the Montgomery GI Bill, and for other purposes.

S. 135

At the request of Mrs. FEINSTEIN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 135, a bill to amend title XVIII of

the Social Security Act to improve payments for direct graduate medical education under the medicare program.

S. 143

At the request of Mr. GRAMM, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 143, a bill to amend the Securities Act of 1933 and the Securities Exchange Act of 1934, to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, and for other purposes.

S. 145

At the request of Mr. THURMOND, the names of the Senator from Mississippi (Mr. LOTT), the Senator from Missouri (Mr. BOND), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 148

At the request of Mr. CRAIG, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 148, a bill to amend the Internal Revenue Code of 1986 to expand the adoption credit, and for other purposes.

S. 149

At the request of Mr. ENZI, the name of the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 149, a bill to provide authority to control exports, and for other purposes.

S. 170

At the request of Mr. REID, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Georgia (Mr. MILLER), and the Senator from Georgia (Mr. CLELAND) were added as cosponsors of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 174

At the request of Mr. KERRY, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 174, a bill to amend the Small Business Act with respect to the microloan program, and for other purposes.

S. 189

At the request of Mr. BOND, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 189, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for small businesses, and for other purposes.

S. 198

At the request of Mr. CRAIG, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 198, a bill to require the Secretary of the Interior to establish a program to provide assistance through States to eligible weed management entities to control or eradicate harmful, nonnative weeds on public and private land.

S. 200

At the request of Mr. REID, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 200, a bill to establish a national policy of basic consumer fair treatment for airline passengers, and for other purposes.

S. 207

At the request of Mr. SMITH of New Hampshire, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S . 207, a bill to amend the Internal Revenue Code of 1986 to provide incentives to introduce new technologies to reduce energy consumption in buildings.

S. 210

At the request of Mr. CAMPBELL, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 210, a bill to authorize the integration and consolidation of alcohol and substance abuse programs and services provided by Indian tribal governments, and for other purposes.

S. 212

At the request of Mr. CAMPBELL, the names of the Senator from North Dakota (Mr. DORGAN) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 212, a bill to amend the Indian Health Care Improvement Act to revise and extend such Act.

S. 219

At the request of Mr. DODD, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 219, a bill to suspend for two years the certification procedures under section 490(b) of the Foreign Assistance Act of 1961 in order to foster greater multilateral cooperation in international counternarcotics programs, and for other purposes.

S. 225

At the request of Mr. WARNER, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 225, a bill to amend the Internal Revenue Code of 1986 to provide incentives to public elementary and secondary school teachers by providing a tax credit for teaching expenses, professional development expenses, and student education loans.

S. 231

At the request of Mr. CAMPBELL, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 231, a bill to amend the Elementary and Secondary Education Act of 1965 to ensure that seniors are given an opportunity to serve as mentors, tutors, and volunteers for certain programs.

S. 239

At the request of Mr. HAGEL, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 239, a bill to improve access to the Cuban market for American agricultural producers, and for other purposes.

S. 242

At the request of Mr. BINGAMAN, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 242, a bill to authorize funding for University Nuclear Science and Engineering Programs at the Department of Energy for fiscal years 2002 through 2006.

S. 271

At the request of Mrs. FEINSTEIN, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 271, a bill to amend title 5, United States Code, to provide that the mandatory separation age for Federal firefighters be made the same as the age that applies with respect to Federal law enforcement officers.

S. 277

At the request of Mr. KENNEDY, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 277, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

S. 293

At the request of Mr. HARKIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 293, a bill to amend the Internal Revenue Code of 1986 to provide a refundable tax credit against increased residential energy costs and for other purposes.

S. 295

At the request of Mr. KERRY, the names of the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. DASCHLE), the Senator from Missouri (Mr. BOND), and the Senator from Rhode Island (Mr. REED) were added as cosponsors of S. 295, a bill to provide emergency relief to small businesses affected by significant increases in the prices of heating oil, natural gas, propane, and kerosene, and for other purposes.

S. 299

At the request of Mrs. MURRAY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 299, a bill to provide for enhanced safety, public awareness, and environmental protection in pipeline transportation, and for other purposes.

S. 301

At the request of Mr. THOMAS, the names of the Senator from Oregon (Mr. SMITH) and the Senator from Alabama (Mr. SHELBY) were added as cosponsors of S. 301, a bill to amend the National Environmental Policy Act of 1969 to require that Federal agencies consult with state agencies and county and local governments on environmental impact statements.

S. CON. RES. 7

At the request of Mr. KERRY, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. Con. Res. 7, a concurrent resolution expressing the sense of Congress that the

United States should establish an international education policy to enhance national security and significantly further United States foreign policy and global competitiveness.

S. CON. RES. 8

At the request of Ms. SNOWE, the names of the Senator from Maine (Ms. COLLINS), the Senator from Alabama (Mr. SESSIONS), the Senator from Montana (Mr. BAUCUS), and the Senator from Kentucky (Mr. MCCONNELL) were added as cosponsors of S. Con. Res. 8, a concurrent resolution expressing the sense of Congress regarding subsidized Canadian lumber exports.

S. RES. 18

At the request of Ms. LANDRIEU, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. Res. 18, a resolution expressing sympathy for the victims of the devastating earthquake that struck El Salvador on January 13, 2001.

SENATE CONCURRENT RESOLUTION 9—CONDEMNING THE VIOLENCE IN EAST TIMOR AND URGING THE ESTABLISHMENT OF AN INTERNATIONAL WAR CRIMES TRIBUNAL FOR PROSECUTING CRIMES AGAINST HUMANITY THAT OCCURRED DURING THAT CONFLICT

Mr. HARKIN (for himself, Mr. FEINGOLD, Mr. REED, Mr. LEAHY, Mr. KENNEDY, Mr. WELLSTONE, and Mr. KOHL) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations.

S. CON. RES. 9

Whereas the people of East Timor experienced an unprovoked and violent attack in the aftermath of a peaceful referendum in which they cast an overwhelming vote for national independence;

Whereas at least 1,000 people were killed, thousands more people were injured, 500,000 people were displaced, much of the infrastructure was destroyed, and scores of communities and villages were completely destroyed in East Timor by roving bands of militias and paramilitary organizations;

Whereas some Indonesian military officers and personnel along with some Indonesian civilian police helped to train and arm the militias and paramilitary organizations before setting them loose to terrorize the people of East Timor and destroy their homes, businesses, and personal property;

Whereas the Indonesian ranking military officers and civilian police officers not only failed to keep the peace in East Timor once the referendum on national independence was conducted but also, in some cases, actually incited violence and participated in widespread killing, rape, forced displacement, mayhem, and wholesale property destruction;

Whereas numerous militia leaders who have been implicated in various crimes against humanity in East Timor continue to operate with impunity in West Timor and throughout Indonesia and none have been formally charged and brought to trial in Indonesia for the wave of violence, murder, rape, and terror inflicted on the people of East Timor, in particular, in preparation for, the conduct of, or the aftermath of the 1999 referendum;

Whereas Indonesia is a party to the Universal Declaration on Human Rights and other international human rights agreements and is legally obligated to comply with those agreements;

Whereas the continuing failure to investigate, indict, prosecute, and secure convictions and appropriate punishment for those responsible for so much death, violence, and destruction among the people of East Timor continues to fuel an environment of terror, fear, and crime in East and West Timor and along their common border, thus trapping tens of thousands in squalid refugee camps and preventing their safe return to their homes;

Whereas the Indonesian government has failed to follow through on its agreement to provide evidence and accused criminals to the justice system of the United Nations Transitional Administration in East Timor, creating circumstances whereby lower-level East Timorese militia members are brought to justice in East Timor, while East Timorese militia leaders and Indonesian military officers with command responsibility reside in Indonesia without fear of prosecution;

Whereas the Indonesian government has yet to take all necessary steps to create a court with authority to prosecute past crimes under internationally-recognized human rights and humanitarian law, and the National Human Rights Commission of Indonesia has limited authority to only investigate such violations;

Whereas, in August, 2000, Indonesia's upper house of parliament passed a constitutional amendment prohibiting retroactivity in prosecutions;

Whereas repeated assurances to the international community and to Congress by the Indonesian government of impending action against the perpetrators of crimes against humanity in East Timor have produced few noticeable or substantive results; and

Whereas Congress is deeply disturbed that gross violations of the human rights of the people of East Timor and United Nations personnel rendering basic humanitarian services in East and West Timor have gone unpunished since January 1, 1999, and the perpetrators have not been brought to justice: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That (a) Congress—

(1) deplores the widespread and systematic violence that—

(A) has occurred in East Timor and in the refugee camps of West Timor since January 1, 1999; and

(B) has resulted in many murders, rapes, and the near-total destruction of East Timor's infrastructure and numerous villages on that troubled island;

(2) decries the continued existence of an environment of intimidation, misinformation, instability, terror, and fear among the people living in the refugee camps housing tens of thousands of displaced people, many of whom wish to return to East Timor, but are too scared to freely repatriate and return safely to their home communities;

(3) denounces the leaders of the militias and paramilitary groups who are responsible for the violent attacks, pillaging, and mayhem that has caused so much suffering and property destruction in East Timor as well as their accomplices in Indonesia inside and outside of that sovereign country's armed forces; and

(4) continues to support the courageous efforts of those in Indonesia working toward domestic prosecutions of the individuals most responsible for the post-referendum violence, but recognizes that these efforts currently face overwhelming obstacles.

(b) It is the sense of Congress that the President and the Secretary of State should—

(1) endorse and support the establishment of an international criminal tribunal for the purpose of prosecuting culpable Indonesian military and police officers and personnel, leaders of local militias and paramilitary organizations, and other individuals who are responsible for crimes against humanity in East Timor, including systematic murder, rape, and terrorism, the unlawful use of force, and crimes against United Nations personnel deployed in East Timor and in the refugee camps of West Timor;

(2) direct the pertinent agencies of the executive branch—

(A) to begin collecting and organizing such information (including from intelligence sources), and to provide such appropriate resources, as will be necessary to assist in preparation of indictments and prosecution of cases before an international criminal tribunal; and

(B) to undertake any additional inquiries and investigations that would further such efforts; and

(3) work actively and urgently within the international community for the adoption of a United Nations Security Council resolution establishing an international criminal court for East Timor.

Mr. HARKIN. Mr. President, I am joined today by Senators FEINGOLD, REED, LEAHY, KENNEDY, and WELLSTONE in introducing legislation calling for the establishment of an International War Crimes Tribunal for East Timor. We recently passed the first anniversary of the date when a Special United Nations of Commission of Inquiry into the Violence and Destruction in East Timor first recommended this course of action.

As many of us know, back in 1999, after many years of military occupation, the people of East Timor were suddenly and brutally attacked immediately after they peacefully cast their overwhelming vote for national independence.

At least 1,000 people were murdered and thousands more were injured. 500,000 people were displaced. And scores of communities and villages in East Timor were destroyed by roving bands of militias and paramilitary organizations. These militias and paramilitary organizations were trained and armed by Indonesian military officers and personnel along with the Indonesian civilian police.

Around this time last year, UN Secretary General Kofi Annan urged us to give the Government of Indonesia time to find and punish these guilty individuals in Indonesia and to demonstrate their cooperation on related criminal investigations and prosecutions with authorities in East Timor and the United Nations Transition Authority in East Timor (UNTAET).

But as I stand here today, not a single individual has been charged or brought to trial in Indonesia for the wave of violence, murder, rape, and terror inflicted on the people of East Timor in preparation for and the conduct of the 1999 referendum and its aftermath. A number of militia leaders were implicated in these heinous

crimes—but they have never been formally charged and brought to trial in Indonesia or East Timor. They continue to operate with impunity in West Timor and throughout Indonesia.

This is unconscionable. We have shown nothing but patience, and they have simply done nothing. The time for sitting back and waiting is over, and we must now take decisive and concrete steps to ensure that justice is done.

This legislation I am introducing today is carefully modeled after similar legislation that established the International War Crimes Tribunals for Iraq, the Balkans, and Rwanda. It consists of three parts:

First, it calls upon the Bush Administration to endorse and support the establishment of an international criminal tribunal to prosecute all individuals who are responsible for egregious human rights abuses in East Timor. These abuses include crimes against humanity in East Timor, including systematic murder, rape, and terrorism, the unlawful use of force, and crimes against United Nations personnel deployed in East Timor and in the refugee camps of West Timor.

Second, it calls upon the Bush Administration to direct pertinent U.S. Government agencies to begin collecting and organizing the necessary evidence and information needed to indict and prosecute these war criminals before an international tribunal.

Finally, the legislation calls upon the Bush Administration to work actively and urgently within the international community to adopt a UN Security Council resolution establishing an international tribunal on East Timor.

In the course of human events, Mr. President, wherever and whenever conflict has resulted in great bloodshed, human suffering, and destruction, there has been no real peace established without real justice. The people of East Timor deserve peace—and to establish peace, we must first seek justice.

SENATE CONCURRENT RESOLUTION 10—EXPRESSING THE SENSE OF THE SENATE REGARDING THE REPUBLIC OF KOREA'S UNLAWFUL BAILOUT OF HYUNDAI ELECTRONICS

Mr. CRAIG (for himself, Mr. LOTT, Mr. CRAPO, and Mr. BENNETT) submitted the following concurrent resolution; which was referred to the Committee on Finance.

S. CON. RES. 10

Whereas the Government of the Republic of Korea over many years has supplied aid to the Korean semiconductor industry enabling that industry to be the Republic of Korea's leading exporter;

Whereas this assistance has occurred through a coordinated series of government programs and policies, consisting of preferential access to credit, low-interest loans, government grants, preferential tax programs, government inducement of private sector loans, tariff reductions, and other measures;

Whereas government assistance to the semiconductor industry is part of the preferences, privileges, and support given by the Korean government to corporate conglomerates, known as chaebols, over several decades;

Whereas the policy of providing assistance to chaebols has resulted in trade-distorting spending and capacity expansion and resulted in massive corporate debt;

Whereas in December 1997, the United States, the International Monetary Fund (IMF), other foreign government entities, and a group of international financial institutions assembled an unprecedented $58,000,000,000 financial package to prevent the Korean economy from declaring bankruptcy;

Whereas as part of that rescue package, the Republic of Korea agreed to put an end to corporate cronyism, and to overhaul the banking and financial sectors;

Whereas Korea also pledged to permit and require banks to run on market principles, to allow and enable bankruptcies and workouts to occur rather than bailouts, and to end subsidies;

Whereas the Republic of Korea agreed to all of these provisions in the Stand-by Arrangement with the IMF dated December 3, 1997;

Whereas section 602 of the Foreign Operations, Export Financing, and Related Agencies Appropriations Act, 1999, as enacted by section 101(d) of Division A of the Omnibus Consolidated and Emergency Supplemental Appropriations Act (Public Law 105–277; 112 Stat. 2681–220) specified that the United States would not authorize further IMF payments to Korea unless the Secretary of the Treasury certified that the provisions of the IMF Standby Arrangement were adhered to;

Whereas the Secretary of the Treasury certified to Congress on December 11, 1998, April 5, 1999, and July 2, 1999 that the Stand-by Arrangement was being adhered to, and assured Congress that consultations had been held with the Government of the Republic of Korea in connection with the certifications;

Whereas the Republic of Korea has acceded to the World Trade Organization, and to the Agreement on Subsidies and Countervailing Measures (as defined in section 101(d)(12) of the Uruguay Round Agreements Act);

Whereas the Agreement on Subsidies and Countervailing Measures specifically prohibits export subsidies, and makes actionable other subsidies bestowed upon a specific enterprise that causes adverse effects;

Whereas Hyundai Electronics is a major exporter of semiconductor products from the Republic of Korea to the United States; and

Whereas the Republic of Korea has now engaged in a massive $2,100,000,000 bailout of Hyundai Electronics which contravenes the commitments the Government of the Republic of Korea made to the IMF, the World Trade Organization and other agreements, and the understandings and certifications made to Congress under the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) believes strongly that the relationship between the United States and Republic of Korea has been and will continue to be harmed significantly by the bailout of a major exporter of products from Korea to the United States;

(2) calls on the Republic of Korea to immediately end the bailout of Hyundai Electronics;

(3) calls on the Republic of Korea to comply immediately with its commitments to the IMF, with its trade agreements, and with the assurances it made to the Secretary of the Treasury;

(4) calls on the Secretary of the Treasury, the Secretary of Commerce, and the United States Trade Representative to take immediately such action as is necessary to assure that the unlawful bailout by the Republic of Korea is stopped, and its effects fully offset or reversed; and

(5) calls on the United States Trade Representative and the Secretary of Commerce to monitor and report to Congress on steps that have been taken to end this bailout and reverse its effects.

Mr. CRAIG. Mr. President, I rise to introduce a concurrent resolution expressing the sense of the Senate regarding the Republic of Korea's unlawful bailout of Hyundai Electronics, an issue of great concern to me and, I believe, should be of concern to the Senate. I rise to introduce this resolution with my colleagues Mr. LOTT, Mr. CRAPO, and Mr. BENNETT.

In 1997, the International Monetary Fund, in cooperation with the United States and a group of financial institutions, put together an unprecedented $58 billion financial package to prevent the Korean economy from bankruptcy. As a part of that rescue package, the Korean government agreed to implement specific reforms aimed at addressing the problems that had led to the economic crisis in the first place.

In recent weeks, the Korean government has decided to break completely with the policies that it has adopted over the past three years and is promising to provide a $2.1 billion bailout of Hyundai Electronics. This action not only runs contrary to the stated policy of the Korean government but also flies in the face of the government's clear assurances that this sort of wholesale bailout would not happen.

This resolution is necessary because the present actions of the Korean government are a flagrant violation of Korean's international commitments. The Hyundai bailout violates Korea's International Monetary Fund Agreement; the World Trade Organization Agreement on Subsidies and Countervailing Measures; U.S. legislation to stop subsidies to the semiconductor industry in Korea; Section 301 of the U.S. trade laws, and U.S. countervailing duty laws. This unlawful and unwise bailout must be stopped.

The conditions of the IMF Agreement are clear. The corporate governance provision of the IMF Agreement required Korea to end government-directed lending companies; to stop government subsidized support or tax privileges to bail out individual companies; to reduce the high debt-to-equity ratios of corporations; to reduce mutual guarantees within conglomerates; and to permit Korean bankruptcy laws to operate without interference from the government.

The government's special waiver of the debt ceiling for Hyundai Electronic is a violation of Korea's commitment not to interfere in the lending practices of private banks and not to provide subsidies. The audacious Korean

government announcement on January 3, 2001 dropped every pretense of legitimacy by notifying the intend to provide for the outright bailout of Hyundai. In a press statement, the government announced that the Korean Development Bank, a Korean government agency, would purchase $2.1 billion of Hyundai Electronic corporate bonds over the next twelve months. The move was clearly aimed at keeping Hyundai from defaulting on its massive debt. This action is outrageous and demands the immediate attention of the Korean government as well as Congress and the Administration.

The bailout violates Korea commitments under the World Trade Organization Agreement on Subsidies and Countervailing Measures. Korea's assistance to Hyundai Electronics, including the purchase of Hyundai's corporate bonds, the waiver of the bank lending limitations, and the increase in the limits on export loans, are all violative of Korea's SCM commitments, and are subject to WTO dispute settlement challenge. The assistance to Hyundai is a prohibited Export Subsidy, and meets the Adverse Effects or ''injury'' test.

This bailout violates the conditions of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, Public Law 105–277. Section 602 required that the U.S. Secretary of the Treasury certify that Korea was in compliance with its IMF Stand-By Arrangement provisions, including those I mentioned earlier, and that no IMF funds were being used to provide assistance to the semiconductor industry, among others. In enacting this provision, the Congress acknowledged the risk that, in the midst of the financial crisis, the Korean government would continue to attempt to keep non-viable companies afloat through directed lending and subsidies. The purpose of the provision was to create an enforcement mechanism for the IMF reform provisions, by providing for the withholding of U.S. support for further financial assistance to Korea, if the government violated the provisions of Section 602.

The Treasury Secretary made several certifications pursuant to Section 602, making them prior to each remaining disbursement of IMF loans to Korea. In these certifications, Secretary Rubin certified to Congress that Korea was implementing the reforms that it had agreed to in its IMF loan agreement and also that IMF funds were not being used to provide subsidies to the semiconductor industry. In recent weeks, the Korean government has violated both the letter and the spirit of Section 602, directly frustrating Congressional intent. The Korea government has said that it will not make any further draws on the stand-by credits from the IMF, so the U.S. government does not have the leverage of threatening to stop future loan disbursements under the current IMF program. In sum, they have taken American tax dollars and run, without fulfilling the commitments they made. It's an outrage.

The assistance to Hyundai Electronics is a subsidy under the U.S. countervailing duty law. The benefits received by Hyundai under the Korea government's bailout program constitute a countervailable subsidy under the U.S. countervailing duty law. Section 771(5) provides that a subsidy is one that ''provides a financial contribution . . . to a person and a benefit is thereby conferred.'' This financial contribution can include ''the direct transfer of funds, such as grants, loans, and equity infusions, or the potential direct transfer of funds or liabilities, such as loan guarantees.'' The statute also specifies that the determination of whether a subsidy exists shall be made ''without regard to whether the subsidy is provided directly or indirectly on the manufacture, production, or export or merchandise.'' Thus, a subsidy can exist even if the government does not directly provide the subsidy, but directs a bank to provide the subsidy.

The statute also specifies that a benefit ''shall normally be treated as conferred where there is a benefit to the recipient.'' In the case of a loan, there is a benefit to a recipient ''if there is a difference between the amount the recipient of the loan pays on the loan and the amount the recipient would pay on a comparable commercial loan that the recipient could actually obtain on the market,'' 19 U.S.C. 1677(5)(E)(ii). Thus, the Commerce Department, when determining whether a program is a countervailable subsidy, looks to the benefit to the recipient rather than the cost to the provider of the subsidy.

In the case of Hyundai Electronics, the company would not be able to obtain any loans ''in the market'' absent government intervention. Private concerns are reluctantly willing to roll over Hyundai's debt only because the government is involved.

In short, because of the preferential financing Hyundai receives under these government actions, and because of the very substantial size of the loans in question, Commerce's investigation of these programs in the course of a countervailing duty proceeding would be almost certain to find substantial subsidy margins.

In conclusion, Mr. President, I am extremely disappointed in Korea's actions in regards to this matter. It is clear that Korea is purposefully circumventing the will and intent as well as the spirit and letter of the IMF agreement the World Trade Organization Agreement on Subsidies and Countervailing Measures, U.S. legislation to stop subsidies to the semiconductor industry in Korea, and U.S. countervailing duty laws.

Korea must not be permitted to backtrack on the reforms it made that were requirements for IMF and U.S. assistance, just because it is no longer drawing on those loans. The very purpose of the reform measure was to put Korea on stable financial footing. Now Korea is unraveling its reform measures, in order to prevent a failing company from going bankrupt. Such actions cannot be overlooked, but should be dealt within the strongest possible manner.

I am very disappointed that the Korean government has acted in bad faith with respect to its commitments. The U.S. Administration and the U.S. Congress must work together to find an effective and just response to Korea's action. This bailout undermines Korea's credibility in international financial circles and threatens the bilateral economic relationship between the United States and Korea. It must be stopped.

Mr. President, I would not come to the floor and speak in these terms, nor would I have gained the sponsorship by key leaders here in the Senate that I have, if we did not think this was important. American taxpayers willing to help stabilize the world economy and willing to help stabilize its friends in the world by contributing $58 billion for those purposes, in working with the International Monetary Fund and the World Trade Organization, should not now be ignored, nor should what we have said be ignored in this process.

With that, I introduce this Senate concurrent resolution speaking to that very issue.

SENATE RESOLUTION 19—TO EXPRESS THE SENSE OF THE SENATE THAT THE FEDERAL INVESTMENT IN BIOMEDICAL RESEARCH SHOULD BE INCREASED BY $3,400,000,000 IN FISCAL YEAR 2002

Mr. SPECTER (for himself, Mr. HARKIN, Ms. MIKULSKI, Mr. FRIST, Mr. SCHUMER, Mr. SARBANES, Ms. COLLINS, Mr. DEWINE, Mr. HUTCHINSON, Ms. SNOWE, Mr. COCHRAN, Mr. SANTORUM, and Mrs. MURRAY) submitted the following resolution; which was referred to the Committee on Appropriations.

S. RES. 19

Whereas past investments in biomedical research have resulted in better health, an improved quality of life for all Americans and a reduction in national health care expenditures;

Whereas the Nation's commitment to biomedical research has expanded the base of scientific knowledge about health and disease and revolutionized the practice of medicine;

Whereas the Federal Government represents the single largest contribution to biomedical research conducted in the United States;

Whereas biomedical research continues to play a vital role in the growth of this Nation's biotechnology, medical device, and pharmaceutical industries;

Whereas the origin of many of the new drugs and medical devices currently in use is based in biomedical research supported by the National Institutes of Health;

Whereas women have traditionally been under represented in medical research protocols, yet are severely affected by diseases including breast cancer, claimed the lives of 40,800 women last year; ovarian cancer

claimed another 14,000 lives; and osteoporosis and cardiovascular disorders;

Whereas research sponsored by the National Institutes of Health is responsible for the identification of genetic mutations relating to nearly 100 diseases, including Alzheimer's disease, cystic fibrosis, Huntington's disease, osteoporosis, many forms of cancer, and immune deficiency disorders;

Whereas many Americans still face serious and life-threatening health problems, both acute and chronic;

Whereas neurodegenerative diseases of the elderly, such as Alzheimer's and Parkinson's disease threaten to destroy the lives of millions of Americans, overwhelm the Nation's health care system, and bankrupt the Medicare and Medicaid programs;

Whereas one in one hundred Americans are currently infected with the hepatitis C virus, an insidious liver condition that can lead to inflammation, cirrhosis, and cancer as well as liver failure;

Whereas 320,000 Americans are now suffering from AIDS and hundreds of thousands with HIV infection;

Whereas cancer remains a comprehensive threat to any tissue or organ of the body at any age, and remains a leading cause of morbidity and mortality;

Whereas the extent of psychiatric and neurological diseases poses considerable challenges in understanding the workings of the brain and nervous system;

Whereas recent advances in the treatment of HIV illustrate the promise research holds for even more effective, accessible, and affordable treatments for persons with HIV;

Whereas infants and children are the hope of our future, yet they continue to be the most vulnerable and under served members of our society;

Whereas prostate cancer is the second leading cause of cancer deaths in men and last year 31,900 men died from prostate cancer;

Whereas diabetes, both insulin and non-insulin forms, afflict 16 million Americans and places them at risk for acute and chronic complications, including blindness, kidney failure, atherosclerosis and nerve degeneration;

Whereas the emerging understanding of the principles of biomimetrics have been applied to the development of hard tissue such as bone and teeth as well as soft tissue, and this field of study holds great promise for the design of new classes of biomaterials, pharmaceuticals, diagnostic and analytical reagents;

Whereas research sponsored by the National Institutes of Health will map and sequence the entire human genome by 2003, leading to a new era of molecular medicine that will provide unprecedented opportunities for the prevention, diagnoses, treatment, and cure of diseases that currently plague society;

Whereas the fundamental way science is conducted is changing at a revolutionary pace, demanding a far greater investment in emerging new technologies, research training programs, and in developing new skills among scientific investigators; and

Whereas most Americans show overwhelming support for an increased Federal investment in biomedical research: Now, therefore, be it

Resolved,

SECTION 1. SHORT TITLE.

This resolution may be cited as the 'Biomedical Revitalization Resolution of 2001'.

SEC. 2. SENSE OF THE SENATE.

It is the sense of the Senate that funding for the National Institutes of Health should be increased by $3,400,000,000 in fiscal year 2002 and that the budget resolution appropriately reflect sufficient funds to achieve this objective.

Mr. SPECTER. Mr. President, I have sought recognition today to introduce, with my distinguished colleague, Senator HARKIN, an important resolution calling for increased funding for the National Institutes of Health, to keep us on track to double NIH funding by fiscal year 2003. Specifically, the resolution calls for the fiscal year 2002 budget resolution to include an additional $3.4 billion in the health function, to be allocated for biomedical research at the National Institutes of Health.

As chairman of the Appropriations Subcommittee for Labor, Health and Human Services, Education, and Related Agencies, I have said many times that the National Institutes of Health is the crown jewel of the Federal Government—perhaps the only jewel of the Federal Government. When I came to the Senate in 1981, NIH spending totaled $3.6 billion. Today, funding is $20.3 billion. This money has been very well spent, given that the advances realized by the National Institutes of Health has spawned tremendous breakthroughs in our knowledge and treatment for diseases such as cancer, Alzheimer's disease, Parkinson's disease, severe mental illnesses, diabetes, osteoporosis, heart disease, and many others. It is clear that a substantial investment in the NIH is paying off and that it is crucial that increased funding be continued in order to convert these advances into treatment and cures.

The effort to double NIH began on May 21, 1997, when the Senate passed a sense-of-the-Senate resolution stating that funding for the National Institutes of Health be doubled over five years. Regrettably, even though the resolution was passed by an overwhelming vote of 98 to nothing, the Budget Resolution contained a $100 million reduction for health programs. That led to the introduction of an amendment to the resolution by myself and Senator HARKIN to add $1.1 billion to carry out the expressed sense of the Senate to increase NIH funding. Our amendment, however, was defeated 63–37. We were extremely disappointed that, while the Senate had expressed its druthers on a resolution, they were simply unwilling to put up the actual dollars to accomplish this vital goal.

The following year, during debate on the fiscal year 1999 budget resolution, Senator HARKIN and I again introduced an amendment to the budget resolution which called for a $2 billion increase for the National Institutes of Health. While we gained more support on this vote than in the previous year, our amendment was again defeated by a vote of 57–41. Not to be deterred, Senator HARKIN and I again went to work with our Subcommittee and we were able to add an additional $2 billion to the NIH account for fiscal year 1999.

In fiscal year 2000, Senator HARKIN and I again offered an amendment to the budget resolution to add $1.4 billion to the health accounts, over and above the $600 million increase which had already been provided by the Budget Committee. Despite this amendment's defeat by a vote of 47–52, we were able to provide in the appropriations bill a $2.3 billion increase for fiscal year 2000.

Last year, Senator HARKIN and I yet again offered an amendment to the budget resolution to increase funding for health programs by $1.6 billion. This amendment passed by a vote of 55–45. This victory brought the NIH increase to $2.7 billion for FY'01. However, after late night negotiations with the House, the funding for NIH was cut by $200 million below that amount.

This brief history of defeats and victories brings us to where we are today. The amount necessary to keep us on our track to double NIH funding will require $3.4 billion for fiscal year 2002. I believe that this goal can be achieved if we make the proper allocation of our resources.

Our investment has resulted in tremendous advances in medical research. A new generation of AIDS drugs are reducing the presence of the AIDS virus in HIV infected persons to nearly undetectable levels. Death rates from cancer have begun a steady decline. With the sequencing of the human genome, we will begin, over the next few years, to reap the benefits in many fields of research as analysis continues. And if scientists are correct, stem cell research could result in a veritable fountain of youth in replacing diseased cells. I anxiously await the results of all of these avenues of remarkable research.

I, like millions of Americans, have benefited tremendously from the investment we have made in the National Institutes of Health. That is why we offer this resolution today—to call upon the Budget Committee to include the additional $3.4 billion to the health accounts so we can carry forward the important work of the National Institutes of Health.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, February 13, 2001, at 9:30 a.m., in open and closed sessions to receive testimony on current and future worldwide threats to the national security of the United States.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, February 13, 2001, to conduct an oversight hearing to receive the semiannual report of the Federal Reserve as mandated by the Federal Reporting Act of 2000.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Tuesday, February 13, 2001, at 9 a.m. on airline customer service.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Tuesday, February 13, 2001, at 10:30 a.m. for a hearing to consider the nomination of Joe M. Allbaugh to be Director of the Federal Emergency Management Agency.

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

SUBCOMMITTEE ON AGING

Mr. THOMAS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Aging be authorized to meet for a hearing on ''The Nursing Shortage and Its Impact on America's Health Care Delivery System.''

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

PRIVILEGE OF THE FLOOR

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent John Lang and Jason Lagasca, legislative fellows in my office, be granted floor privileges during this afternoon's session.

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

MEASURE PLACED ON THE CALENDAR—S. 320

Mr. NICKLES. Mr. President, I ask unanimous consent that S. 320 be placed on the calendar.

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

UNANIMOUS CONSENT AGREEMENT—S. 320

Mr. NICKLES. Mr. President, I ask unanimous consent that at 2 p.m. on Wednesday, the Senate proceed to the consideration of S. 320, regarding technical changes to patent and copyright laws. Further, I ask unanimous consent that no amendments or motions be in order and that there be up to 1 hour of debate equally divided in the usual form; and following the use or yielding back of time, the bill be read a third time and the Senate proceed to vote on passage, with no intervening action or debate.

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

ORDER FOR STAR PRINT—S. 250

Mr. NICKLES. Mr. President, I ask unanimous consent that S. 250 be star printed with the changes at the desk.

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

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 106–398 and in consultation with the chairmen of the Senate Committee on Armed Services and the Senate Committee on Finance, appoints the following individuals as members of the United States-China Security Review Commission: Michael A. Ledeen, of Maryland; Roger W. Robinson, Jr., of Maryland; and Arthur Waldron, of Pennsylvania.

The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, as amended by Public Law 99–7, appoints the following Senators as members of the Commission on Security and Cooperation in Europe (Helsinki) during the 107th Congress: The Senator from Texas (Mrs. HUTCHISON), the Senator from Kansas (Mr. BROWNBACK), the Senator from Oregon (Mr. SMITH), and the Senator from Ohio (Mr. VOINOVICH).

The Chair, on behalf of the majority leader, pursuant to Public Law 106–550, announces the appointment of the following individuals to serve as members of the James Madison Commemoration Commission Advisory Committee: Steven G. Calabresi of Illinois, and Forrest McDonald of Alabama.

ORDERS FOR WEDNESDAY, FEBRUARY 14, 2001

Mr. NICKLES. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 10 a.m. on Wednesday, February 14. I further ask unanimous consent that immediately following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to a period for morning business until 2 p.m., with Senators speaking for up to 10 minutes each, with the following exceptions: Senator THOMAS, or his designee, in control of the time between 10 a.m. and 10:40 a.m.; Senators COLLINS and BOND controlling the time between 10:40 a.m. and 11 a.m.; Senator DASCHLE, or his designee, in control of the time between 11 a.m. and 12 noon; Senator LOTT, or his designee, in control of 60 minutes; and Senator DASCHLE, or his designee, in control of 60 minutes.

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

PROGRAM

Mr. NICKLES. Mr. President, tomorrow the Senate will be in session beginning at 10 a.m. Following morning business, the Senate will proceed to the bill regarding copyright and patent laws. A vote is expected to occur on passage of that piece of legislation at approximately 3 p.m. Also, the Senate could consider the Paul Coverdell Peace Corps bill and the small business advocacy bill. Therefore, votes can and should be expected to occur.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:08 p.m., adjourned until Wednesday, February 14, 2001, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate February 13, 2001:

DEPARTMENT OF STATE

BILL FRIST, OF TENNESSEE, TO BE A REPRESENTATIVE OF THE UNITED STATES OF AMERICA TO THE FIFTY-FIFTH SESSION OF THE GENERAL ASSEMBLY OF THE UNITED NATIONS.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be major

JAY O. AANRUD, 0000
JAMES M. ABATTI, 0000
DEREK A. ABEYTA, 0000
*EDWARD T. ACKERMAN, 0000
TODD E. ACKERMAN, 0000
*MARVIN R. ACQUISTAPACE, 0000
MARK R. ADAIR, 0000
*JAIME ADAMES, 0000
*CLOYCE J. ADAMS, 0000
JEROME P. ADAMS, 0000
*MICHAEL E. ADDERLEY, 0000
JEFFREY E. ADDISON, 0000
LARRY D. ADKINS, 0000
*JOHN T. AGUILAR, 0000
JEFFREY R. ALEXANDER, 0000
*ROBERT M. ALEXANDER, 0000
*JOSEPH A. ALLEGRETTI, 0000
*BRADLEY D. ALLEN, 0000
CRAIG L. ALLEN, 0000
*GREGORY R. ALLEN, 0000
NEIL T. ALLEN, 0000
RICHARD G. ALLEN, 0000
BENJAMIN L. ALLEY, 0000
DAVID L. ALMAND, 0000
KELLY M. ALTON, 0000
PETER A. AMES, 0000
*AMELIA K. ANDERSON, 0000
*BRADLEY D. ANDERSON, 0000
*BRADLEY E. ANDERSON, 0000
ERIK H. ANDERSON, 0000
*JEFFREY R. ANDERSON, 0000
JAMES F. ANDERTON, 0000
*WESMOND C. ANDREWS, 0000
*DAVID S. ANDRUS, 0000
THOMAS M. ANGELO, 0000
*DOUGLAS E. ANTCLIFF, 0000
JOHN S. R. ANTTONEN, 0000
MARK A. AOWN, 0000
*MICHAEL J. APOL, 0000
SCOTT A. ARCURI, 0000
ELLEN M. ARDREY, 0000
*JOHN M. AREHART, 0000
ROBERT G. ARMFIELD, 0000
*KEVIN S. ARMSTRONG, 0000
RICHARD W. ARMSTRONG, 0000
RUSSELL L. ARMSTRONG, 0000
*THOMAS K. ARMSTRONG JR., 0000
CRAIG L. ARNOLD, 0000
MICHAEL L. ARNOLD, 0000
NEIL P. ARNOLD, 0000
WILLIAM H. ARNOLD, 0000
KEVIN R. ARTHUR, 0000
*PARK D. ASHLEY, 0000
*JULIANA M. ASTRACHAN, 0000
MICHAEL ATIGNA, 0000
*JOSEPH ATKINS, 0000
ELISABETH S. AULD, 0000
*RICHARD M. AULD, 0000
DALE R. AUSTIN, 0000
WARREN G. AUSTIN, 0000
*ERIC AXELBANK, 0000
MICHAEL D. BACKMAN, 0000
GEOFFREY S. BACON, 0000
*DAVID E. BACOT, 0000

*TIMOTHY E. BAGGERLY, 0000
KENNETH W. BAILEY, 0000
*LOWELL E. BAILEY, JR., 0000
PETER G. BAILEY, 0000
PETER K. BAILEY, 0000
*RAYMOND A. BAILEY, 0000
*ROBERT E. BAILEY, 0000
THOMAS E. BAILEY, 0000
JAMES LAWRENCE BAILEY, 0000
KENNETH L. BAKER, JR., 0000
WILLIAM E. BAKER III, 0000
*JEFFREY J. BAKKEN, 0000
PETER I. BAKO, 0000
RONALD B. BALDINGER, 0000
*ROBERT L. BALLENGER, 0000
*KARL M. BARDEN, 0000
DAVID R. BARKER, 0000
DAVID W. BARNA, 0000
*WILLIAM J. BARNES, 0000
BRADLEY D. BARNETTE, 0000
PAUL K. BARNEY, 0000
GREG A. BARNHART, 0000
JEFFREY J. BARROWS, 0000
*KURT D. BARRY, 0000
*MELISSA L. BARSOTTI, 0000
*CHAD L. BARTHOLOMEW, 0000
*LOWELL E. BARTMESS II, 0000
KRISTIN BARTO, 0000
ERIC R. BASS, 0000
BRYAN E. BATT, 0000
MELISSA L. BATTEN, 0000
FRANK BATTISTELLI, 0000
*JAMES E. BATTLES, 0000
BRIEN J. BAUDE, 0000
JEROLD J. BAUER, 0000
KRIS A. BAUMAN, 0000
COLIN K. BEAL, 0000
*ALAN K. BEATY, 0000
EUGENE V. BECKER, 0000
JOSEPH M. BECKER, 0000
VINCENT K. BECKLUND, 0000
*KELI A. BEDICS, 0000
DAVID A. BEEBE, 0000
KENNETH J. BEEBE, 0000
CHERYL J. BEINEKE, 0000
JAMES BELL, 0000
JEFFREY S. BELL, 0000
JOHN E. BELL, 0000
*MARK E. BELL, 0000
*MARK S. BENNETT, 0000
MICHAEL B. BENSON, 0000
MIKE BENSON, 0000
DAVID P. BENTLEY, 0000
HAROLD W. BENTON, 0000
*JOHN R. BENY, 0000
CHRISTOPHER N. BERG, 0000
*ALEXANDER BERGER, 0000
ROBERT D. BERGER, 0000
*KEVIN J. BERNER, 0000
JOHN A. BERNHART II, 0000
BRIAN J. BERNING, 0000
*DINA L. BERNSTEIN, 0000
*GARY J. BERTSCH, 0000
YVONNE M. BESSELLIEU, 0000
KENNETH R. BIBEE, 0000
JAY R. BICKLEY, 0000
JAMES E. BIGGS, 0000
ANGELA L. BILLINGS, 0000
*FRANK M. BIRD, 0000
JAMES G. BIRDSONG, 0000
MATTHEW G. BISHOP, 0000
*KEITH NEIL BISHOP, 0000
*BRADLEY L. BISTODEAU, 0000
THOMAS C. BLACK, 0000
*ROBERT K. BLAGG, 0000
DANIEL E. BLAKE, JR., 0000
FRED R. BLASS, 0000
MICHAEL S. BLASS, 0000
NICOLE I. BLATT, 0000
JOHN R. BOBROSKI, 0000
*KENT A. BODILY, 0000
FREDERICK H. BOEHM, 0000
BRYAN L. BOGGS, 0000
ROBERT E. BOGLE, 0000
BRIAN C. BOHANNON, 0000
*THERESE A. BOHUSCH, 0000
*JAMES E. BOLES, JR., 0000
PAUL E. BOLEY II, 0000
*STEPHEN G. BOLSTER, 0000
JEFFREY P. BOMKAMP, 0000
JAMES I. BONG, 0000
*CHARLES W. BOOTHE II, 0000
*JOSHUA S. BORING, 0000
GREGORY S. BORN, 0000
MARK J. BOROCZ, 0000
*DAVID J. BOROWSKY, 0000
JAMES R. BORTREE, 0000
*DAVID B. BOSKO, 0000
*JOEL D. BOSWELL, 0000
GREGG C. BOTTEMILLER, 0000
*ELIETTE Y. BOUIE, 0000
*DAVID H. BOUSKA, 0000
MARK E. BOWEN, 0000
JEFFREY M. BOWLING, 0000
KENNETH B. BOWLING, 0000
CHARLES W. BOYD, 0000
*RICHARD D. BOYD, 0000
JEFFREY C. BOZARD, 0000
JEFFREY L. BOZARTH, 0000
*NANCY M. BOZZER, 0000
BRIAN L. BRADEN, 0000
*NOEL D. BRADFORD, 0000
DANIEL J. BRADLEY, 0000
JEFF C. BRADLEY, 0000
MARK P. BRAISTED, 0000
SHAWN E. BRAKE, 0000
TIMOTHY S. BRANDON, 0000
*FREDERICK G. BRANDT, 0000
STEVEN S. BRANDT, 0000
MIKE M. BRANTLEY, 0000
*JAMES R. BRAUCHLE, 0000
*THOMAS K. BRAUNLINGER, 0000
LAMBERTO M. BRAZA, 0000
EVAN A. BREEDLOVE, 0000
STEVEN W. BREMNER, 0000
*JOHN F. BRENDLE, 0000
CARL N. BRENNER, 0000
*ERIC T. BREWINGTON, 0000
*LEE J. BRIDGES, 0000
DAVID E. BRIEN, 0000
ANDRE J. BRIERE, 0000
RAYMOND E. BRIGGS, JR., 0000
JEFFREY W. BRIGHT, 0000
*DAVID L. BRINGHURST, 0000
JOHN U. BRINKMAN, 0000
ROBERT A. BRISSON, 0000
*ROBERT L. BROADY, JR., 0000
*STEPHEN W. BROCK, 0000
*PETER J. BROMEN, 0000
*CHRISTOPHER D. BROOKS, 0000
WANDA V. BROUSSARD, 0000
MICHAEL E. BROWERS, 0000
BRIAN A. BROWN, 0000
*DONALD L. BROWN, 0000
*JEFFERSON B. BROWN, 0000
MARK A. BROWN, 0000
*PHILLIP P. BROWN, 0000
ROGER L. BROWN, 0000
TERRY M. BROWN, 0000
*THOMAS S. BROWNING, 0000
*DAVID W. BRUCE, 0000
*ROBERT J. BRUST, 0000
*HARLEY B. BRYANT III, 0000
ROBERT A. BUENTE, 0000
HAROLD D. BUGADO, 0000
*PHU BUI TRISH, 0000
JOHN G. BUNNELL, 0000
DAVID S. BUNZ, 0000
*HEATHER L. BUONO, 0000
RICHARD W. BURBAGE, 0000
MARK L. BURMAN, 0000
PATRICIA G. BURROWS, 0000
*LLOYD A. BUZZELL, 0000
*DAVID E. BYER, 0000
JAMES G. CABALQUINTO, 0000
DAVID M. CADE, 0000
STEVEN E. CAHANIN, 0000
ERIC D. CAIN, 0000
JOHN T. CAIRNEY, 0000
MARK J. CALFEE, 0000
*MELVIN M. CALIMLIM, 0000
ANNA E. CALKINS, 0000
TODD W. CALLAHAN, 0000
BRIAN S. CALLSEN, 0000
MICHAEL E. CALTA, 0000
*CARLOS E. CAMARILLO, 0000
ANTHONY H. CAMPANARO, 0000
SCOTT A. CAMPBELL, 0000
REINALDO L. CANTON, 0000
*VICTOR CARAVELLO, 0000
ANDREW C. CARAWAY, 0000
*MARIA L. CARL, 0000
WILLIAM J. CARLE, 0000
*STEVEN S. CARLISLE, 0000
KEVIN M. CARLSON, 0000
*SHAY T. CARNES, 0000
*MICHAEL E. CAROTHERS, 0000
*ROBERT E. CARRAWAY, 0000
*CARLOS A. CARRERASFLORES, 0000
DAVID B. CARTER, 0000
DONALD T. CARTER, 0000
MICHAEL E. CARTER, 0000
STEVEN L. CASE, 0000
*PATRICK J. CASEY, 0000
*BENJAMIN M. CASON, 0000
VINCENT R. CASSARA, 0000
EUGENE L. CAUDILL, 0000
*CHRISTOPHER M. CAUSEY, 0000
*MARI LOUISE CHAMBERLAIN, 0000
*PAUL O. CHAMBERS, 0000
MARTIN A. CHAPIN, 0000
MICHAEL S. CHAPMAN, 0000
JOHN S. CHASE, 0000
CLARENCE F. CHENAULT, 0000
*CARL J. CHRISTENSEN, 0000
GREGORY H. CHURCH, 0000
MARK E. CHURCH, 0000
RAYMOND E. CHUVALA, JR., 0000
ANTON W. CIHAK II, 0000
HOWARD T. CLARK III, 0000
JAMES M. CLARK, 0000
MARK S. CLARK, 0000
MICHAEL B. CLARK, 0000
NORMAN A. CLARK, 0000
RICHARD A. CLARK, 0000
*STEVEN E. CLARK, 0000
*TEAL CLARK, 0000
*CHARLES W. CLAYBORNE, 0000
*ERIC N. CLEVELAND, 0000
JEFFREY T. CLIMER, 0000
JOHN D. CLINE, 0000
*DAVID R. CLINTON, 0000
DEAN A. CLOTHIER, 0000
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*TAMMY S. COBB, 0000
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NORMAN W. CZUBAJ, 0000
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*RUDIE D. GALBERT, 0000
*ANDREW J. GALE, 0000
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JOSE E. GUILLEN, JR., 0000
MICHAEL D. GUMINSKY, 0000
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*CURTIS C. HUNT, 0000

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*MARSHAL V. JOSLIN, 0000
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STEPHEN D. KISER, 0000
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DAVID A. KIVIOJA, 0000
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*KARL A. KLINGLER, 0000
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CHARLES W. KNOFCZYNSKI, 0000
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*KIP O. KOEHLER, 0000
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KATHRYN L. KOLBE, 0000
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*ALEXANDER L. KOVEN, 0000
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*TIMOTHY A. KRANER, 0000
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*GRANT L. KRATZ, 0000
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STEVEN N. LACASSE, 0000
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*JOHN J. LAIRD, JR., 0000
*TIMOTHY M. LAKATA, 0000
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*MARK F. LAMB, 0000
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*MARIA DE L. LEBRON, 0000
STUART C. LEDET, 0000
CHARLES P. LEE, 0000
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NORMAN J. LEONARD, 0000
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KEITH A. LUDWIG, 0000
ANN M. LUEB, 0000
*ROSS L. LUKKASON, 0000
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*KEVIN J. MC CAL, 0000
*BUSTER G. MC CALL, 0000
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*ROBERT J. PRESTON II, 0000
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THOMAS E. PRICE, 0000
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MARIA M. PRIEST, 0000
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*RENE F. ROMERO, 0000
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DEBRA K. ROSE, 0000
*MICHAEL D. ROSS, SR, 0000
THOMAS ROSS, 0000
MARTIN L. ROTHROCK, 0000
*PAUL J. ROTTER, 0000
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*DAVID L. RUFFIN, 0000
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*ASHLEY D. SALTER, 0000
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*GARY L. SAMSON, 0000
*PAUL F. SAND, 0000
*CESAR C. SANDAN, 0000
*BRETT H. SANDERS, 0000
HAROLD H. SANDERS, 0000
MATTHEW V. SANTONI, 0000
*DOMENICO. SARNATARO, 0000
*WILLIAM A. SATTERFIELD, 0000
*JEFFREY D. SATTLER, 0000
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CARL E. SCHAEFER, 0000
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GREGORY C. SCHEER, JR., 0000
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*ANE M. SHULL, 0000
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JOHN P. SIMMONS, 0000
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WILLIAM F. J. SIMPSON, 0000
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*KIRK D. STOCKER, 0000
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*CLARENCE M. STONE, JR., 0000
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*DANIEL R. TAYLOR, 0000
GREGORY O. TAYLOR, 0000
SHAWN E. TEAGAN, 0000
*RICHARD R. TELLES, 0000
GARTH J. TERLIZZI, JR., 0000
RICHARD J. TERRELL, 0000
DAVID M. TERRINONI, 0000
JOHN P. TERRY, 0000
PATRICK A. TESTERMAN, 0000
*KEITH L. THIBODEAUX, 0000
*CYNTHIA G. THOMAS, 0000
*DARRELL F. THOMAS, 0000
*EDWARD W. THOMAS, JR., 0000
GEOFFREY P. THOMAS, 0000
*GEORGE E. THOMAS, JR., 0000
JORDAN K. THOMAS, 0000
WILLIAM B. THOMAS, 0000
BRAD R. THOMPSON, 0000
DUANE M. THOMPSON, 0000
FORREST C. THOMPSON, 0000
MARK E. THOMPSON, 0000
WILLIAM P. THOMPSON, 0000
MARK A. THONNINGS, 0000
CHARLAN A. THORPE, 0000
JEFFREY A. TIBBITS, 0000
*LISA H. TICE, 0000
*LANCE A. TILGHMAN, 0000
*MICHAEL J. TIMMERMAN, 0000
CHARLES R. TIMMERMEYER, JR., 0000
*STEVEN E. TINC, 0000
THOMAS S. TINGLEY, 0000
*KEVIN J. TINGLEY KELLEY, 0000
MICHAEL J. TOMASULO, 0000
*MICHAEL D. TOMATZ, 0000
*MARY D. TOOHEY, 0000
*FRANCISCO A. TORANOCAMPOS, 0000
LAWRENCE O. TORRES, 0000
WILLIAM R. TRACY, 0000
JULIE D. TRAVNICEK, 0000
*ROBERT W. TRAYERS, JR., 0000
JIMMIE L. TRIGG, 0000
MICHELLE M. TRIGG, 0000
JAMES D. TRIMBLE, 0000
JOHN M. TRUMPFHELLER, 0000
*TROY A. TSCHIRHART, 0000
RAYMOND TSUI, 0000
*LONNIE K. TURNER, 0000
TODD A. TURNER, 0000
ROBERT E. TUTTLE, 0000
AMY E. TWEED, 0000
*DANIEL A. TWOMEY, JR., 0000
*CLAYTON L. TYSON, 0000
TIMOTHY R. UECKER, 0000
*ROBERT K. UEMURA, 0000
JEFFREY R. ULLMANN, 0000
KIMBERLY C. ULLMANN, 0000
*LISA A. UNDEM, 0000
JERRY J. UPDEGRAFF, 0000
CHRISTOPHER J. URDZIK, 0000
GREGORY N. URTSO, 0000
*JAMES M. VALENTI, 0000
TROY B. VANCASTER, 0000
JOHN J. VANCE, 0000
HARRY W. VANDERBACH, 0000
REX S. VANDERWOOD, 0000
*ROBERT W. VANHOY II, 0000
JONATHAN R. VANNOORD, 0000
*MARSHA R. VANPELT, 0000
*SCOTT M. VANSANT, 0000
MARC C. VANWERT, 0000
*DAVID M. VARDAMAN, 0000
BRIAN T. VARN, 0000
DANIEL R. VASQUEZ, 0000
DAVID S. VAUGHN, 0000
*PEGGY K. VAUGHN, 0000
BRYAN S. VEIT, 0000
FREDERICK H. VICCELLIO, 0000
TODD M.B. VICIAN, 0000
KATHRYN E. VIKSNE, 0000
JUAN C. VILLARREAL, 0000
*STEPHEN R. VIRNIG, 0000
JOHN M. VITACCA, 0000
*MARK A. VIVIANS, 0000
JAMES R. VOGEL, 0000
KYLE D. VOIGT, 0000
*DOYLE E. VOLLERS, 0000
*CARL H. VON DEBSCHITZ, 0000
*STEVEN K. VONBUETTNER, 0000
*BRENT R. VOSSELLER, 0000
CURT D. WAGNER, 0000
*EUGENE H. WAGNER, JR., 0000
*SUSAN WAGONLANDER, 0000
MICHAEL L. WAHLER, 0000
CRAIG J. WALKER, 0000
*DIANA P. WALKER, 0000
JAMES E. WALKER, 0000
*KEVIN J. WALKER, 0000
GINGER L. WALLACE, 0000
STEPHEN B. WALLER, 0000
*DAVID W. WALSH, 0000
*KERRY L. WALSH, 0000
DEVIN C. WALTERS, 0000
MICHAEL J. WANG, 0000
*PAUL D. WARE, 0000
ERIC L. WARNER, 0000
LUCILLE J. WARNER, 0000
SCOTT A. WARNER, 0000
JAMES L. WARNKE, 0000
JAMES T. WASHINGTON, 0000
OLIVER D. WASHINGTON, JR., 0000
DANIEL L. WATERS, 0000
JEFFREY J. WATERS, 0000
BILLY J. WATKINS, JR., 0000
*MICHAEL R. WATKINS, 0000
*ELIZABETH M. WATSON, 0000
GORDON K. WATTS, 0000
MARK E. WEATHERINGTON, 0000
ANDREW H. WEAVER, 0000
JOEL J. WEAVER, 0000
JONATHAN D. WEBB, 0000
MARK D. WEBER, 0000
GREGORY J. WEBSTER, 0000
*JOSEPH P. WEDDING III, 0000
JOHN L. WEDOW, 0000
MICHAEL R. WEHMEYER, 0000
STUART N. WEINBERGER, 0000
*IRVING S. WEISENTHAL, 0000
PAUL A. WELCH, 0000
*RORY D. WELCH, 0000
*CHRISTOPHER S. WELDON, 0000
*MICHAEL V. WELGE, 0000
*MARK W. WELHAF, 0000
ALIX E. WENGERT, 0000
*DAWN L. WERNER, 0000
*MARK S. WERT, 0000
*TIMOTHY P. WESSEL, 0000
*TIMOTHY C. WEST, 0000
RICHARD G. WESTON, 0000
GARY A. WETTENGEL, JR., 0000
*TODD J. WEYERSTRASS, 0000
*MICHAEL T. WHATLEY, 0000
*CHRISTOPHER L. WHEELER, 0000
MARK C. WHEELHOUSE, 0000
CHRISTOPHER G. WHELESS, 0000
JOHN D. WHISENANT, 0000
DAVID G. WHITE III, 0000
*EDWARD D. WHITE III, 0000
*ROBERT D. WHITE, 0000
*TONY A. WHITESIDE, 0000
JAMES C. WHITMIRE, 0000
LUKE D. WHITNEY, 0000
*JENNIFER A. WHITTIER, 0000
ROBERT S. WIDMANN, 0000
PHILIP W. WIELHOUWER, 0000
DAVID A. WIESNER, 0000
JEFFREY A. WILCOX, 0000
TODD M. WILDE, 0000
*JAMES S. WILDES, JR., 0000
GARY WILEY JR., 0000
*CURTIS L. WILKEN, 0000
JAMES B. WILKIE, 0000
ANNE WILKINS PEGGY, 0000
BERNARD M. WILLI, 0000
CHRISTOPHER S. WILLIAMS, 0000
CLIFFORD D. WILLIAMS, 0000
CRAIG E. WILLIAMS, 0000
GREG A. WILLIAMS, 0000
*JEFFREY G. WILLIAMS, 0000
*REGINALD J. WILLIAMS, 0000
SHUN V. WILLIAMS, 0000
*CRAIG D. WILLS, 0000
*JEFFERY L. WILMOTH, 0000
R. BREC WILSHUSEN, 0000
*ALLEN C. WILSON, 0000
*FRANK V. WILSON, 0000
*MARK F. WILSON, 0000
*MARK P. WILSON, 0000
TERRY A. WILSON, 0000
THEODORE D. WILSON, 0000
*THOMAS E. WILSON, 0000
MARJORIE E. WIMMER, 0000
PATRICK J. WINDEY, 0000
*PATRICK E. WINGATE, 0000
ERIC D. WINGER, 0000
MARK B. WISER, 0000
*STEPHEN A. WISSER, 0000
TRACY M. WITCHER, 0000
*WINSTON R. WITHERELL, 0000
ERIC P. WOHLRAB, JR., 0000
JOSEPH L. WOLFKIEL, 0000
JASON L. WOOD, 0000
*TAD N. WOODILLA, 0000
TODD K. WOODRICK, 0000
*TOBI SEARS WORDEN, 0000
KENNETH C. WRAY, 0000
CYNTHIA A. WRIGHT, 0000
DANIEL D. WRIGHT III, 0000
KARYN E. WRIGHT, 0000
RICHARD D. WRIGHT, 0000
JUSTIN R. WYMORE, 0000
KEVIN J. YANDURA, 0000
BRIAN A. YATES, 0000
ERIC W. YATES, 0000
DANIEL S. YENCHESKY, 0000
SHANNON L. YENCHESKY, 0000
JOSEPH F. YEZZI, 0000
STACY L. YIKE, 0000
*ZEV YORK, 0000
*JOEL D. YOUNG, 0000
RONALD L. YOUNG, 0000
KYLE E. YOUNKERS, 0000
*DONA M. ZASTROW, 0000
KEVIN M. ZELLER, 0000
JEFFREY A. ZEMKE, 0000
KENNETH S. ZEPP, 0000
*DAWN M.K. ZOLDI, 0000
*DANIEL S. ZULLI, 0000

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO

THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

ROBERT M. NAGLE, 0000

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

JAMES M. IVEY, 0000
GREGORY D. JOHNSON, 0000
WENDELL B. MCLAIN, 0000
JOAN M. SULLIVAN, 0000
DOUGLAS C. WILSON, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

STEVEN L. POWELL, 0000

THE FOLLOWING NAMED OFFICER FOR REGULAR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 531, 624 AND 3064:

To be lieutenant colonel

MARK R. WITHERS, 0000 MC

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

DANNY W. AGEE, 0000
LINDA T. BENKO, 0000
DAWN R. CHRISWISSER, 0000
LARRY J. CLAYTON, 0000
EDUARDO GOMEZ, 0000
LARRY A. LEMONE, 0000
KEVIN G. MACCARY, 0000
SAMUEL E. MANTO, 0000
BYRON N. MILLER, 0000
THEODORE R. NICHOLSON, 0000
KENNETH A. PAPANIA, 0000
TERRY R. SCHMALTZ, 0000
RONALD K. TAYLOR, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

To be colonel

ARTHUR D. BACON, 0000
WILLIAM B. CARR, JR., 0000
MARCUS G. COKER, 0000
DAVID A. FEYRER, 0000
CHARLES J. FLESHER, 0000
DONALD R. FORDEN, 0000
DAVID M. FULLER, 0000
LISTON A. GARFIELD, 0000
JAMES B. HENSON, 0000
GARY E. HILL, 0000
ERIC C. HOLMSTROM, 0000
LYNN E. HUMPHREYS, 0000
EDWARD R.P. KANE, 0000
SIDNEY L. LEAK III, 0000
ANTHONY J. MEDAIROS, 0000
FRANCIS S. MIDURA, 0000
ROBERT S. MORTENSON, JR., 0000
ALLEN R. NABORS, 0000
THADDEUS J. POSEY, 0000
GERALD H. PRYOR, 0000
DWIGHT D. RIGGS, 0000
FREDERICK H. SCHOENFELD, 0000
ARTHUR F. TAYLOR, 0000
RICHARD T. VANN, JR., 0000

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

EDUARDO A. ABISELLAN, 0000
JAMES H. ADAMS III, 0000
JOHN K. ADAMS, 0000
TED A. ADAMS, 0000
CHRISTOPHER W. ALLEN, 0000
JOSEPH T. ALLENA, JR., 0000
MICHAEL E. ALOISE, 0000
RONALD J. ALVARADO, 0000
STEVEN M. ANDERSON, 0000
MARCUS B. ANNIBALE, 0000
GEOFFREY M. ANTHONY, 0000
JOHN ARMELLINO, JR., 0000
ADAM G. ARNETT, 0000
MICHAEL J. ATCHESON, 0000
ERIC E. AUSTIN, 0000
KELLY A. AUSTIN, 0000
MARK A. AVERY, 0000
ROGER S. AZEVEDO, 0000
CHARLES R. BAGNATO, 0000
KENDALL D. BAILEY, 0000
PHILIP A. BAIN, JR., 0000
PAUL D. BAKER, 0000
ROBERT H. BAKER, 0000
DAVID R. BALDWIN, 0000
SCOTT A. BALDWIN, 0000
DONALD A. BARNETT, 0000
CRAIG A. BARRETT, 0000
ROBERT W. BARRY, JR., 0000
ERIC E. BATTLE, 0000
RAYMOND E. BEAL II, 0000
JASON A. BEAUDOIN, 0000
STEPHEN R. BECK, JR., 0000
STEWART G. BECKER, 0000
PATRICK A. BECKETT, 0000
MARC A. BEGIN, 0000
DOUGLAS C. BEHEL, 0000
GARY E. BELL, 0000
GRADY A. BELYEU, JR., 0000
DARREL C. BENFIELD, 0000
JEANNE A. BENFIELD, 0000
WILLIAM C. BENTLEY III, 0000
WILLIAM P. BENTLEY, 0000
MARLIN C. BENTON, JR., 0000
DANIEL N. BERGAD, 0000
DAVID BERNATOVICH, 0000
WILLIAM C. BERRIS, 0000
BRENT W. BIEN, 0000
GREGORY D. BIGALK, 0000
CHAD A. BLAIR, 0000
JOHN T. BLANCHARD, 0000
RUSSELL A. BLAUW, 0000
PRESCOTT M. BOISVERT, 0000
BRET A. BOLDING, 0000
GREGORY L. BOLL, 0000
JOHN A. BOLT, 0000
BRETT A. BOLTON, 0000
RICHARD J. BORDONARO, 0000
MICHAEL J. BORGSCHULTE, 0000
TODD V. BOTTOMS, 0000
LISA M. BOTUCHIS, 0000
BRETT A. BOURNE, 0000
ANTHONY W. BOWN, 0000
MATTHEW C. BOYKIN, 0000
ROBERT C. BOYLES, 0000
BRIAN J. BRACKEN, 0000
DAVID P. BRADNEY, 0000
RONALD C. BRANEY, 0000
TERRY L. BRANSTETTER, JR., 0000
IAN D. BRASURE, 0000
FREDERICK W. BREMER, 0000
BENJAMIN T. BREWER, 0000
CHRISTOPHER A. BREWSTER, 0000
THOMAS J. BRINEGAR, 0000
CHRISTOPHER S. BROWN, 0000
GLENN F. BROWN, 0000
MICHAEL J. BROWN, 0000
JOHN H. BRUGGEMAN, JR., 0000
STEPHEN C. BRZOSTOWSKI, 0000
BRIAN E. BUFTON, 0000
VICTOR J. BUNCH, 0000
WAYNE M. BUNKER, 0000
PHILIP A. BURDETTE, 0000
HEATHER M. BURGESS, 0000
RUSSELL C. BURTON, 0000
ALAN E. BUSENBARK, 0000
DAVID W. BUSSEL, 0000
MAX W. CAIN II, 0000
MARKHAM B. CAMPAIGNE, JR., 0000
STEVE L. CANTRELL, 0000
MARIO D. CARAZO, 0000
DAVID CARBONERO, 0000
TODD M. CARUSO, 0000
GREGORY A. CASE, 0000
MICHAEL S. CASEY, 0000
WALTER D. CERKAN, 0000
BERNARD C. CERNOSEK, 0000
CHRISTOPHER J. CERWONKA, 0000
THOMAS E. CHANDLER, 0000
JAMES C. CHAPMAN, 0000
MELVIN L. CHATTMAN, 0000
IAN G. CHERRY, 0000
DONALD C. CHIPMAN, 0000
STEVEN R. CHRISTMAN, 0000
IAN R. CLARK, 0000
RICHARD T. CLARK, 0000
JASON A. CLIMER, 0000
NATHAN P. CLYNCKE, 0000
ALTON L. COCHRAN, JR., 0000
DOUGLAS S. COCHRAN, 0000
ADAM C. COE, 0000
JAIME O. COLLAZO, 0000
WILLIAM J. COLLINS, JR., 0000
JAMES L. COMBS, 0000
MICHAEL C. CONOVER, 0000
STEPHEN G. CONROY, 0000
MATTHEW S. COOK, 0000
GARLAND N. COPELAND, 0000
EDITH W. CORDERY, 0000
RYAN L. COUGHLIN, 0000
DWIGHT N. COUNTS, 0000
GUY R. COURSEY, 0000
IAN D. COURTNEY, 0000
JOSEPH M. COWAN, 0000
CHARLES B. COX, 0000
WAYNE O. COX II, 0000
BRIAN E. CRANE, 0000
SCOTT S. CREED, 0000
SAMUEL A. CRISLER, 0000
MATTHEW A. CROCE, 0000
VANCE L. CRYER, 0000
JENS A. CURTIS, 0000
EARL W. DANIELS, 0000
KEITH C. DARBY II, 0000
SEAN P. DARDEEN, 0000
THOMAS E. DAVIS, 0000
DEVIN C. DELL, 0000
RONALD K. DENNARD, 0000
SUNIL B. DESAI, 0000
THOMAS E. DEVINE, 0000
MARK D. DIETZ, 0000
PETER J. DILLON, 0000
JOHN E. DOBES, 0000
THOMAS P. DOLAN, 0000
RONALD A. DOMINGUE, JR., 0000
CHARLES DOWLING, 0000
DOUGLAS E. DUDGEON, 0000
SEAN T. DUGAN, 0000
JON D. DUKE, 0000
DAVID P. DUMA, 0000
SCOTT P. DUNCAN, 0000
DARIN T. DUNHAM, 0000
EVERETT W. DUNNICK, 0000
ROBERT H. DURYEA, 0000
MATTHEW D. DWYER, 0000
ANDREW L. EAST, 0000
RODNEY S. EDWARDS, 0000
FRED H. EGERER II, 0000
GEORGE E. EHLERS, 0000
ERIC J. ELDRED, 0000
STEVEN D. ETTIEN, 0000
THOMAS C EULER III, 0000
JEFFREY C. EVANS, 0000
JOHN W. EVANS, JR., 0000
PAUL C. FAGAN, 0000
TIMOTHY L. FANNING, 0000
WESLEY L. FEIGHT, 0000
STEVEN L. FELTENBERGER, 0000
DANIEL E. FENNELL, 0000
PHILIP A. FICKES, 0000
TODD R. FINLEY, 0000
WALTER E. FINNEY, 0000
MICHAEL J. FOLEY, JR., 0000
MICHAEL D. FOLGATE, 0000
JAMES W. FOSTER, 0000
TIMOTHY J. FRANK, 0000
PHILIP H. FRAZETTA, 0000
ROBERT C. FRIEDMAN, 0000
THOMAS C. FRIES, 0000
PHILLIP N. FRIETZE, 0000
MICHAEL S. FRUTSCHE, 0000
RICHARD F. FUERST, 0000
CHARLES E. FULLER, JR., 0000
FRANK T. FULLER, 0000
TROY FULLER, 0000
PETER S. GADD, 0000
FRANCIS G. GALA, 0000
THOMAS J. GALVIN, 0000
LEWIS W. GEIL, 0000
CHRISTIAN GHEE, 0000
CHRISTOPHER D. GIDEONS, 0000
BRIAN S. GILDEN, 0000
GEOFFREY S. GILLILAND, 0000
PETER L. GILLIS, 0000
STEVEN R. GIRARD, 0000
MARK A. GIVENS, 0000
HERMAN GLOVER IV, 0000
MICHAEL F. GOGOLIN, 0000
ADRIAN S. GOGUE, 0000
VIRGILIO GONZALEZ, 0000
MIGUEL C. GOODPASTURE, 0000
BRENT W. GOODRUM, 0000
DONALD A. GORDON, 0000
ROBERT J. GORDON, 0000
THOMAS J. GORDON IV, 0000
ROBERT GOVONI, 0000
BRUCE G. GRALER, 0000
SCOTT W. GRANDGEORGE, 0000
ROBERT M. GREEN, 0000
JEFFERY S. GREENWOOD, 0000
CHARLES R. GREGG, JR., 0000
DAVID E. GRIBBLE, 0000
SCOTT M. GRIFFITH, 0000
STEPHEN M. GRIFFITHS, 0000
DAVID A. GUNDLACH, 0000
CLARENCE T. GUTHRIE III, 0000
JASON X. HACKERSON, 0000
RODERICK B. HADDER, 0000
PAUL C. HAGAR, 0000
MICHAEL E. HAGUE, 0000
MARK E. HAHN, 0000
KOLAN J. HAIRSTON, 0000
REGINALD L. HAIRSTON, 0000
NICHOLAS S. HALE, 0000
SCOTT V. HALLSTROM, 0000
EARL L. HALQUIST, 0000
DAN HANKS, 0000
THOMAS J. HARMON, 0000
JAMES F. HARP, 0000
BYRON R. HARPER, 0000
CLARENCE T. HARPER III, 0000
BARON A. HARRISON, 0000
PETER W. HART, 0000
WESLEY D. HART, 0000
JEFFREY H. HAUSER, 0000
BRIAN W. HAVILAND, 0000
DOUGLAS A. HAWKINS, 0000
TED J. HAWKINS, 0000
MATTHEW K. HAYS, 0000
THOMAS V. HEFFERN, 0000
DAVID S. HEINO, 0000
MARK J. HENDERSON, 0000
JAMES R. HENSIEN, 0000
KATRINA HENSLEY, 0000
WAYNE M. HERBERT, 0000
HENRY G. HESS, 0000
MATTHEW N. HESS, 0000
ROBERT W. HESSER, 0000
STANLEY D. HESTER, 0000
ALEXANDER G. HETHERINGTON, 0000
DERRICK R. HEYL, 0000
WALTER R. HIBNER III, 0000
ERIC W. HILDEBRANDT, 0000
GREGORY E. HILL, 0000
RICHARD L. HILL, 0000
THOMAS K. HOBBS, 0000
STEVEN W. HODGE, JR., 0000
JEFFREY P. HOGAN, 0000
TODD L. HOLDER, 0000
MICHAEL T. HOLMES, 0000
MICHAEL P. HOMMEL, 0000
MARK D. HOROWITZ, 0000
THEODORE J. HORSE, 0000

CHARLES B. HOTCHKISS III, 0000
GEORGE N. HOUGH, 0000
KELLY P. HOULGATE, 0000
MICHAEL P. HUBBARD, 0000
ROBERT O. HUBBELL, 0000
DAVID S. HUGHEY, 0000
TODD M. HUNT, 0000
PETER D. HUNTLEY, 0000
JAMES J. HURD, 0000
LESLIE A. HURT, 0000
THOMAS J. IMPELLITTERI, 0000
JAMES T. IULO, 0000
EDWARD K. JAKOVICH III, 0000
TIMOTHY J. JAMES, 0000
JAN M. JANUARY, 0000
JEFFREY L. JAROSZ, 0000
TODD M. JENKINS, 0000
TRACEY E. JENKINS, 0000
JAMES E. JENNINGS, 0000
MICHAEL J. JERNIGAN, 0000
ALLEN K. JOHNSON, 0000
MARK J. JOHNSON, 0000
PRESTON W. JONES, 0000
SEKOU S. KAREGA, 0000
KENNETH R. KASSNER, 0000
DAVID A. KEELE, 0000
JAMES J. KELLEY III, 0000
JOHN F. KELLIHER III, 0000
KEVIN B. KELLIHER, 0000
BRIAN P. KELLY, 0000
CHARLES B. KELLY, 0000
JAMES R. KENDALL, 0000
ANTHONY P. KENNICK, 0000
LEONARD L. KERNEY, JR., 0000
PETERJOHN H. KERR, 0000
CRAIG M. KILHENNY, 0000
BRIAN J. KING, 0000
MICHAEL G. KING, 0000
DAVID T. KLAVERKAMP, 0000
ERIC D. KLEPPER, 0000
MICHAEL L. KLOCH, 0000
KENNETH A. KNARR, 0000
CHARLEY A. KNOWLES II, 0000
JEFFREY A. KNUDSON, 0000
JAMES B. KOERBER, 0000
TIMOTHY D. KORNACKI, 0000
JOHN M. KRAUSE, 0000
JOHN P. KRESHO, 0000
JOSEPH G. KRINGLER, JR., 0000
KARL H. KUGA, 0000
ROBERT A. KUROWSKI, 0000
ROBERT M. LACK, 0000
CLIFFORD J. LANDRETH, 0000
DOUGLAS K. LANG, 0000
RHETT B. LAWING, 0000
PETER E. LAZARUS, 0000
RODNEY LEGOWSKI, 0000
SCOTT D. LEONARD, 0000
MARY L. LEONARDI, 0000
JOSEPH P. LEVREAULT, 0000
JAMES C. LEWIS, 0000
MICHAEL J. LINDEMANN, JR., 0000
DANIEL R. LINGMAN, 0000
STUART R. LOCKHART, 0000
THOMAS M. LOEHLE, 0000
EDWIN H. LOWSMA, 0000
DAVID G. LOYACK, 0000
BRYAN F. LUCAS, 0000
BARTLETT D. LUDLOW, 0000
RICHARD E. LUEHRS II, 0000
STEVEN G. LUHRSEN, 0000
JAMES I. LUKEHART, JR., 0000
VINCENT J. LUMALCURI, 0000
RICHARD C. LYKINS, 0000
ERIC M. LYON, 0000
DOUGLAS J. MACINTYRE, 0000
STEPHEN J. MACKLIN, 0000
GARY W. MACLEOD, JR., 0000
JOHN E. MADES, 0000
LORNA M. MAHLOCK, 0000
MARK F. MAISEL, 0000
ANTHONY M. MARRO, 0000
DAMIEN M. MARSH, 0000
ROBERT C. MARSHALL, JR., 0000
JOHN J. MARTIN, 0000
DANIEL R. MARTINEAU, 0000
KENDALL A. MARTINEZ, 0000
MICHAEL R. MARTINEZ, 0000
KEVEN W. MATTHEWS, 0000
JAMES H. MATTS, 0000
TROY C. MAYO, 0000
TODD L. MCALLISTER, 0000
JOSEPH T. MCCLOUD, 0000
WILLIAM F. MCCOLLOUGH, 0000
DAVID G. MCCULLOH, 0000
DONALD B. MCDANIEL, 0000
JOHN M. MCDERMOTT, 0000
JOHN E. MCDONOUGH, 0000
JASON S. MCFARLAND, 0000
CHRISTOPHER T. MCKAY, 0000
SHAWN W. MCKEE, 0000
MATTHEW MCLAUGHLIN, 0000
CHARLES A. MCLEAN II, 0000
MICHAEL G. MCPHERSON, 0000
SEAN C. MCPHERSON, 0000
WILLIAM D. MCSORLEY IV, 0000
ROGER C. MEADE, 0000
HALSTEAD MEADOWS III, 0000
CHRISTOPHER L. MEDLIN, 0000
MICHAEL W. MELSO, 0000
MELANIE A. MERCAN, 0000
PETER S. MERRILL, 0000
ANDREW O. METCALF, 0000
JAMES J. MIGLETZ, 0000
CHRISTIAN C. MILLER, 0000
JOHN L. MILLER, 0000
KIMBERLEY J. MILLER, 0000
PETER J. MITCHELL, 0000
SCOTT C. MITCHELL, 0000
KURT E. MOGENSEN, 0000
PAUL R. MOGG, 0000
BARRY A. MONTGOMERY, 0000
JOHN C. MOORE, 0000
JOHN F. MOORE, 0000
MARCUS A. MOORE, 0000
PAUL H. MOORE, JR., 0000
MICHAEL D. MORI, 0000
DARIN S. MORRIS, 0000
SAMUEL P. MOWERY, 0000
JOHN J. MURPHY III, 0000
JOSEPH W. MURPHY, 0000
MICHAEL D. MURRAY, 0000
CHRISTOPHER B. NASH, 0000
DAVID NATHANSON, 0000
LIONEL R. NEDER, 0000
RICHARD F. NEITZEY, 0000
CHRISTIAN A. NELSON, 0000
WILLIAM J. NEMETH, 0000
CHRISTIAN L. NICEWARNER, 0000
SHANE D. NICKLAUS, 0000
DAVID B. NICKLE, 0000
NEAL D. NOEM, 0000
SETH L. OCLOO, JR., 0000
DAVID L. ODOM, 0000
CLAYTON G. OGDEN, 0000
JAMES E. OHARRA, 0000
BRIAN R. OLEARY, 0000
CARLOS L. OLIVO, 0000
MICHAEL H. OPPENHEIM, 0000
RONALD L. PACE, 0000
RANDOLPH T. PAGE, 0000
ANDREW J. PALAN, 0000
MARK T. PALMER, 0000
CLINTON E. PARDUE, 0000
DANIEL L. PARIS, 0000
DAVID J. PARK, 0000
MATTHEW W. PARK, 0000
JAY B. PARKER, 0000
WALTER P. PARKER, 0000
DAVID B. PARKS, 0000
JOHN E. PASSANT IV, 0000
PHILIP M. PASTINO, 0000
PAUL T. PATRICK, 0000
TRACY L. PEACOCK, 0000
CRYSTAL T. PELLETIER, 0000
ROBERT A. PETERSON, 0000
FRITZ W. PFEIFFER, 0000
WILLIAM C. PIELLI, 0000
SCOTT W. PIERCE, 0000
STEPHEN S. PIERSON, 0000
PAUL E. PINAUD, 0000
CHRISTOPHER S. PINCKNEY, 0000
MICHAEL M. PITTS, 0000
STEVEN A. PLATO, 0000
ROBERT J. PLEVELL, 0000
CLARK A. POLLARD, 0000
CURTIS A. POOL, 0000
DOUGLAS M. POWELL, 0000
STEVEN M. PRATHER, 0000
THOMAS M. PRATT, 0000
DONALD J. PRESTO, 0000
MORRIS W. PRIDDY, 0000
DALE A. PUFAHL, 0000
MATTHEW PUGLISI, 0000
JOHN H. PYLANT, JR., 0000
PAUL B. QUIMBY, 0000
JAMES E. QUINN, 0000
KERRY J. QUINN, 0000
JOSEPH N. RAFTERY, 0000
JOHN A. RAHE, JR., 0000
MATTHEW R. RAJKOVICH, 0000
JUSTIN L. RATH, 0000
MATTHEW G. RAU, 0000
LOWELL F. RECTOR, 0000
MICHAEL S. REED, 0000
ANDREW M. REGAN, 0000
DESMOND A. REID, JR., 0000
BRENDAN REILLY, 0000
MICHAEL T. REILLY, 0000
THOMAS R. REILLY, 0000
ROBERT A. RENARD, 0000
DAVID E. RICHARDS, 0000
DAVID E. RICHARDSON, 0000
DONALD B. RICHWINE JR., 0000
MARK F. RIEDY, 0000
MICHAEL R. RIES, 0000
THOMAS E. RINGO, 0000
LARRY A. RISK, 0000
KEITH T. RIVINIUS, 0000
JEROME P. RIZZO, 0000
DONALD A. ROACH, 0000
WHITNEY S. ROACH, 0000
STEPHEN C. ROBBINS, 0000
MICHAEL C. ROBERTS, 0000
DANIEL B. ROBINSON, 0000
GREGORY L. ROBINSON, 0000
HOWARD G. ROBINSON, 0000
TIMOTHY W. ROGERS, 0000
MICHAEL P. ROHLFS, JR., 0000
PAUL S. ROLLIN, 0000
CHARLES D. ROSE, JR., 0000
PAUL A. ROSENBLOOM, 0000
MICHAEL L. ROSS, 0000
DEE S. ROSSER, 0000
SHANE L. ROSSOW, 0000
SCOTT R. ROYS, 0000
JAY A. RUTTER, 0000
SEAN M. SALENE, 0000
BRENT E. SANDERS, 0000
ALEXANDER J. SARANT, 0000
ANDREW J. SAUER, 0000
BRETON L. SAUNDERS, 0000
THOMAS B. SAVAGE, 0000
ROBERT E. SAWYER, 0000
MICHAEL E. SAYEGH, 0000
DOMENIC J. SCARCIA, 0000
JOHN M. SCHAAR, 0000
ERIC W. SCHAEFER, 0000
KENNETH J. SCHWANTNER, 0000
ROBERT K. SCHWARZ, 0000
JONATHAN B. SCRABECK, 0000
JOSEPH W. SEARS, 0000
DAVID J. SEBUCK, 0000
MICHAEL B. SEGER, 0000
BRIAN F. SEIFFERT, 0000
GLENN R. SEIFFERT, 0000
ROBERTA L. SHEA, 0000
FRANK T. SHELTON, 0000
MICHAEL D. SHERMAN, 0000
DAVID P. SHEWFELT, 0000
SANJEEV SHINDE, 0000
JAMES E. SHORES, 0000
MATTHEW M. SIEBER, 0000
DANIEL J. SIMONS, 0000
JOSEPH D. SINICROPE, JR., 0000
THOMAS D. SMITH, 0000
JEFFREY C. SMITHERMAN, 0000
MICHAEL L. SNAVELY, 0000
MIKE D. SNYDER, 0000
JAMES M. SOBIEN, 0000
WALTER C. SOPP, JR., 0000
SHAUN C. SPANG, 0000
JEFFERY P. STAMAN, 0000
DIANA L. STANESZEWSKI, 0000
PAUL A. STEELE, 0000
RICHARD G. STEELE, 0000
PATRICK A. STEFANEK, 0000
JOSEPH A. STEHLY, 0000
MARTIN C. STEIMLE, 0000
NOEL C. STEVENS, 0000
KEVIN J. STEWART, 0000
STEPHEN R. STEWART, 0000
BENJAMIN P. STINSON, 0000
DAVID STOHS, 0000
PAUL L. STOKES, 0000
IAN L. STONE, 0000
SHAWN R. STRANDBERG, 0000
CRAIG H. STREETER, 0000
DOUGLAS D. STUMPF, 0000
ANTHONY A. STYER, 0000
DANIEL R. SULLIVAN, 0000
WILLIAM H. SWAN, 0000
JAMES E. SZEPESY, 0000
PATRICK J. TANSEY, 0000
CHRISTOPHER A. TAVUCHIS, 0000
GREGORY W. TAYLOR, 0000
ROBERT C. TAYLOR, 0000
WILLIAM P. TEICHGRAEBER, 0000
DENNIS C. TEITZEL, 0000
DANIEL W. TEMPLE, 0000
MICHAEL C. TERREL, 0000
ROBERT A. THALER, 0000
CHRISTOPHER C. THIBODEAUX, 0000
ALAN D. THOBURN III, 0000
BRIAN J. THOMPSON, 0000
STEPHEN S. TIELEMANS, 0000
MARK E. TINGLE, 0000
JOHN R. TOMCZYK, 0000
BRENT C. TROUSLOT, 0000
LEONARD E. TROXEL, 0000
MICHELLE L. TRUSSO, 0000
MICHAEL A. TUCKER, 0000
PHILLIP W. TUCKER II, 0000
DAVID B. TURCOTTE, 0000
BELINDA L. TWOHIG, 0000
JOHN A. VANMESSEL, 0000
MICHAEL W. VICKREY, 0000
COLLEEN L. VIGIL, 0000
MICHAEL H. VILLAR, 0000
BONIFACIO VINFRIDO, 0000
WILLIAM H. VIVIAN, 0000
ROBERT A. VOJTIK, 0000
DANIEL R. WAGNER, 0000
JOHN E. WALKER, JR., 0000
TYE R. WALLACE, 0000
GAINES L. WARD, 0000
SCOTT C. WARD, 0000
STEVEN C. WARE, 0000
MARK R. WARNER, 0000
MICHAEL T. WARRING, 0000
ROBERT T. WARSHEL, 0000
MICHAEL R. WATERMAN, 0000
BENJAMIN T. WATSON, 0000
ERIC R. WATSON, 0000
AARON S. WELLS, 0000
GUY M. WEST, 0000
CODY M. WESTON, 0000
DANIEL F. WHITE II, 0000
BRIAN L. WIDDOWSON, 0000
CHRISTOPHER J. WILLIAMS, 0000
DAVID A. WILLIAMS, 0000
KARL E. WILLIAMS, 0000
MARCUS W. WILLIAMS, 0000
VINCENT H. WILLIAMS, 0000
DANIEL A. WILSON, 0000
ROBERT L. WINCHESTER, 0000
WILLIAM D. WISCHMEYER, JR., 0000
ERIC S. WISE, 0000
THOMAS J. WITCZAK, 0000
EUGENE P. WITTKOFF, 0000
BRIAN N. WOLFORD, 0000
CALVERT L. WORTH, JR., 0000
CARL M. WRIGHT III, 0000
MICHAEL P. WYLIE, 0000
TEAGAN J. YONASH, 0000
JAMES F. ZAGRZEBSKI, 0000
TYLER J. ZAGURSKI, 0000
PATRICK J. ZALESKI, 0000
WILLIAM E. ZAMAGNI, JR., 0000
JOSEPH J. ZARBA, JR., 0000
DOUGLAS D. ZIMBELMAN, 0000

RICHARD D. ZYLA, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

MARK R. MUNSON, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

THOMAS F. KOLON, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

BERNADETTE M. SEMPLE, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

JOHN D. CARPENTER, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

DARREN S. HARVEY, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

TRAVIS C. SCHWEIZER, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

FRANCES R. BACCUS, 0000
KIMBERLY S. FRY, 0000
RICHARD A. GREENE, 0000
SCOTT W. HINES, 0000
MARIA A. MERA, 0000
GEORGE A. MORRIS, 0000
SCOTT W. STUART, 0000

EXTENSIONS OF REMARKS

ACHIEVEMENTS OF KIMBERLY STEVENSON

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. SHOWS. Mr. Speaker, today, I would like to take a minute to tell my fellow colleagues and the American people about Kimberly Stevenson of McComb, Mississippi. Kimberly is a young student from my district who has achieved national recognition for exemplary volunteer service. She has been named one of my State's top honorees in the 2001 Prudential Spirit of Community Awards program, an annual honor conferred on the most impressive student volunteers in each state.

In light of numerous statistics that indicate Americans today are less involved in their communities than they once were, it's vital that we encourage and support the kind of selfless contribution this young citizen has made. People of all ages need to think more about how we, as individual citizens, can work together to ensure the health and vitality of our towns and neighborhoods. Young volunteers like Ms. Stevenson are inspiring examples to all of us, and are among our brightest hopes for a better tomorrow.

Ms. Stevenson should be extremely proud to have been singled out from such a large group of dedicated volunteers. I heartily applaud Ms. Stevenson for her initiative in seeking to make her community a better place to live, and for the positive impact she has had on the lives of others. She has demonstrated a level of commitment and accomplishment that is truly extraordinary in today's world, and deserves our sincere admiration and respect. Her actions show that young Americans can—and do—play important roles in our communities, and that America's volunteer spirit continues to hold tremendous promise for the future.

A TRIBUTE TO MS. AMBER VICKERY

HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Ms. CARSON of Indiana. Mr. Speaker, I would like to congratulate and honor a young Indiana student from my district who has achieved national recognition for exemplary volunteer service in her community. Ms. Amber Vickery of Indianapolis has just been named one of my state's top honorees in the 2001 Prudential Spirit of Community Awards program, an annual honor conferred on the most impressive student volunteers in each state, the District of Columbia and Puerto Rico.

Ms. Vickery is being recognized for organizing and teaching a cooking class for children with a protein disorder who must follow a strict diet.

In light of numerous statistics that indicate Americans today are less involved in their communities than they once were, it's vital that we encourage and support the kind of selfless contribution this young citizen has made. People of all ages need to think more about how we, as individual citizens, can work together at the local level to ensure the health and vitality of our towns and neighbors. Young volunteers like Ms. Vickery are inspiring examples to all of us, and are among our brightest hopes for a better tomorrow.

The program that brought this young role model to our attention—the Prudential Spirit of Community Awards—was created by the Prudential Insurance Company of America in partnership with the National Association of Secondary School Principals in 1995 to impress upon all youth volunteers that their contributions are critically important and highly valued, and to inspire other young people to follow their example. Over the past six years, the program has become the nation's largest youth recognition effort based solely on community service, with nearly 100,000 youngsters participating since its inception.

Ms. Vickery should be extremely proud to have been singled out from such a large group of dedicated volunteers. I heartily applaud Ms. Vickery for her initiative in seeking to make her community a better place to live, and for the positive impact she has had on the lives of others. She has demonstrated a level of commitment and accomplishment that is truly extraordinary in today's world, and deserves our sincere admiration and respect. Her actions show that young Americans can—and do—play important roles in our communities, and that America's community spirit continues to hold tremendous promise for the future.

A PROCLAMATION RECOGNIZING WILLIAM E. CHANEY

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. NEY. Mr. Speaker, I commend the following article to my colleagues:

Whereas, William E. Chaney currently serves as president of the Ohio Hills Health Services' Board of Trustees; and,

Whereas, through Mr. Chaney's twenty-five years of leadership and unselfish commitment the families of eastern Ohio have received prompt, courteous, and affordable health care; and,

Whereas, due to his tremendous contributions to the Ohio Hills Health Services organization and the community he will be honored by the Ohio Hills Health Services' Board of Trustees; and,

Whereas, I ask that my colleagues join me in recognizing William E. Chaney for his commitment and dedication to making lives better in our area. I am honored to call him a constituent.

A BILL TO CLARIFY THE TAX TREATMENT OF CONTRIBUTIONS IN AID OF CONSTRUCTION

HON. WALLY HERGER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. HERGER. Mr. Speaker, I am introducing legislation today, along with Mr. MATSUI and Mrs. JOHNSON, to ensure that needless Treasury regulation does not add unnecessarily to the cost of housing.

The need for this legislation is brought about because the Department of Treasury has issued regulations to provide guidance on the definition of CIAC as enacted under the Small Business Job Protection Act of 1996. Despite the fact that Congress specifically removed language concerning ''customer services fees'' in its amendment in 1996, the Department added the language back into the proposed regulation specifying that such fees are not CIAC. They then defined the term very broadly to include service laterals, which traditionally and under the most common state law treatment would be considered CIAC.

Because state regulators require all of the costs of new connections to be paid up front, these regulations will force water and sewerage utilities to collect the federal tax from homeowners, builders, and small municipalities. Because they collect it up front, the utility is forced to ''gross up'' the tax by collecting a tax on the tax on the tax, resulting in an over 55 percent effective tax rate.

This bill will clarify that water and sewerage service laterals are included in the definition of contributions in aid of construction (CIAC). It clarifies current law by specifically stating that ''customer service fees'' are CIAC, but maintains current treatment of service charges for stopping and starting service (not CIAC). Because this is a clarification of current law, the effective date for the bill is as if included in the original legislation (Section 1613(a) of the Small Business Job Protection Act of 1996).

Mr. MATSUI and Mrs. JOHNSON along with many of our colleagues here in the Chamber, worked hard over the course of a number of years to restore the pre-1986 act tax treatment for water and sewage CIAC. In 1996, we succeeded in passing legislation. It was identical to pre-1986 law with three exceptions. Two of the changes were made in response to a Treasury Department request. The third removed the language dealing with ''service connection fees'' primarily because of potential confusion resulting from the ambiguity of the term. The sponsors of the legislation were concerned that the IRS would use this ambiguity to exclude a portion of what the state regulators consider CIAC.

As part of our efforts, we developed a revenue raiser in cooperation with the industry to make up any revenue loss due to our legislation, including the three changes. This revenue raiser extended the life, and changed the method, for depreciating water utility property

from 20 year accelerated to 25-year straight-line depreciation. As consequence of this sacrifice by the industry, our CIAC change made a net $274 million contribution toward deficit reduction.

It is my belief that the final revenue estimate done by the Joint Committee on Taxation on the restoration of CIAC included all property treated as CIAC by the industry regulators including specifically service laterals. In an October 11, 1995, letter to Senator GRASSLEY the Joint Committee on Taxation provided revenue estimates for the CIAC legislation. A footnote in this letter states, ''These estimates have been revisited to reflect more recent data.'' The industry had only recently supplied the committee with comprehensive data, which reflected total CIAC in the industry including service laterals.

I urge my colleagues to join with us in sponsoring this important legislation in order to ensure that American homeowners do not face further burdens.

TRIBUTE TO THE INDEPENDENT ORDER OF FORESTERS, HIGH COURT OF THE CALIFORNIA NORTH/NEVADA NORTH

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. GEORGE MILLER of California. Mr. Speaker, today I invite my colleagues to join me in recognizing The Independent Order of Foresters, High Court of the California North/Nevada North, on the occasion of their 43rd Quadrennial Session, for their commitment to providing fraternal and community services to their members and the northern California and Nevada communities.

The concept of Forestry originated hundreds of years ago when people formed groups called Friendly Societies to provide help for one another in times of distress. Based on the spirit of brotherhood and the desire to help in times of need, each family contributed to a fund from which they could draw when emergencies arose. In 1874 in Newark, NJ, a group of people carrying on these early traditions of mutual aid and fraternity started the Independent Order of Foresters.

Today, the 35,000 members of the California North/Nevada North IOF play a variety of roles in our neighborhoods and communities. IOF members are involved in youth scouting and athletic activities, fund-raising for nonprofit organizations, and confronting child abuse through community education and direct service to children and families in crisis. These are people who care about and are engaged in their communities. This past year, the IOF has sponsored numerous organizations, including the Solano and Contra Costa Food Bank, the Make A Wish Foundation, the Atkinson Youth Center, the Young Life Capernium, Meals on Wheels, the Boys and Girls Club Shelter for Battered Women and Samaritan House, Young Life, the Yellow Brick House, Silver Dollar Court, and the Children's Crisis Center.

The California North/Nevada North IOF meets February 24, 2001, to celebrate their years of commitment to their families and communities. I know I speak for all Members when I thank the IOF for their positive contributions to our communities and wish them continued success in their endeavors.

A TRIBUTE TO STEVEN R. MEYERS, SAN LEANDRO CITY ATTORNEY

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. STARK. Mr. Speaker, I commend Steve Meyers, upon his retirement after twenty-three years, for dedicated service to the city of San Leandro. Mr. Meyers has served as City Attorney and Redevelopment Agency Counsel to the city of San Leandro since 1979. He has worked with six mayors and four city managers during his tenure as City Attorney and Agency Counsel and has played a central role in many projects during his employment with the city. He has negotiated a number of real estate transactions for both the city and the Redevelopment Agency, which have resulted in achievements such as affordable housing and business expansion in San Leandro.

Mr. Meyers graduated from the University of California at Santa Barbara and received his J.D. degree from the University of California Hastings College of the Law, where he was a member of the Order of the Coif. Upon his graduation in 1973, Mr. Meyers devoted his practice to municipal law serving in the Sacramento City Attorney's Office until moving to San Leandro in 1977. He is admitted to practice in the State courts and the United States Supreme Court.

Mr. Meyers was Chairman of the Executive Committee of the State Bar Public Law Section in 1994 and served as editor of the Public Law Journal. He has served on the Legislation Committee of the City Attorneys Department of the League of California Cities; served as president of the Bay Area City Attorney's Association and is a recipient of the John J. McCoy Fellowship in Urban Studies. He is currently chairman of the Board of the Bay Planning Coalition.

Upon his retirement from his position with the city of San Leandro, Mr. Meyers assumed the role of Special Counsel to the City on January 1, 2001. I join his friends and colleagues in thanking him for his past contributions and wishing him well in his continued service to the community of San Leandro.

MEDICARE OSTEOPOROSIS MEASUREMENT ACT OF 2001

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MORELLA. Mr. Speaker, today I am introducing the Medicare Osteoporosis Measurement Act of 2001. This Act will extend bone density screening to men—as opposed to just women—being treated for prostate cancer, as well as groups of Medicare-eligible individuals clinically at risk for osteoporosis. Testosterone, the male sex hormone, is a major factor in stimulating the growth of prostate cancer. Testosterone suppression therapy is a well respected and often used treatment to control advanced prostate cancer. Unfortunately, the treatment also predisposes these men to osteoporosis.

Although osteoporosis is commonly thought of as a disease that affects only women, about one third of all men will suffer an osteoporotic fracture in their lifetime. These men often do not know that they are at risk until a bone fracture occurs because external symptoms are rarely present. This could be prevented with a simple and cost-effective test. The cost of bone density screening is less than $200 and would be an effective way to decrease the $14 billion spent each year on direct medical costs for osteoporosis and related fractures.

Osteoporosis affects more than five million men in the U.S. Early detection is a key component in containing the human and economic cost of this disease. Please join me in supporting this legislation to bring parity to the Medicare program and help combat this preventable disease.

PERSONAL EXPLANATION

HON. TIM JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. JOHNSON of Illinois. Mr. Speaker, on January 3, 2001, I inadvertently missed a vote on rollcall 4, adopting the rules package. Had I cast my vote, I would have voted in favor of the measure. Please accept this unanimous-consent request and have the RECORD show my intent.

BLACK HISTORY MONTH

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. GILMAN. Mr. Speaker, I am pleased to honor Black History Month for 2001.

Beginning in 1926 we have set aside a special time to celebrate Black History. Mr. Carter G. Woodson established this period for one week in February, the month that includes the birthdays of President Lincoln and Frederick Douglass, both of whom made immense contributions to civil rights. Today, we set aside the entire month of February to celebrate Black History, and the men and women who have made that history. So many of these men and women have yet to receive the credit which they justly deserve for their many contributions. As this new millennium goes forward we must continue to educate our country of these outstanding great African-American men and women.

African-Americans have been fighting for the United States since before our Independence was declared and have continued throughout the course of history. The first American to lose his life to the Revolution was Crispus Attucks, a free black man of Boston, Massachusetts during the infamous Boston massacre. Since then African-Americans have served in every great war. Many fought to preserve the Union during the Civil War, and at least 400,000 African-American men fought in World War I. During World War II more than

1 million African-American men served in the Armed Forces, and at least 4,000 women also served the U.S.

African-Americans have also taken leadership roles and involved themselves in the politics of the nation. During the 19th century, many African-Americans were Abolitionists fighting against the injustices of slavery. Some examples of these great abolitionists included Frederick Douglass, a former slave and established writer, and Harriet Tubman and Sojouner Truth, who helped organize the Underground railroad as well as their fight for the rights of women.

After the success of the Civil War, African Americans such as W.E.B. DuBois and Booker T. Washington fought to bring the lingering discrimination to its de facto conclusion. They wrote and spoke out against the Jim Crow laws of the south. Their intentions were furthered towards the latter half of the 20th century by Dr. Martin Luther King Jr. and Malcolm X, both of whom fought for racial equality in a country that still had not reached its potential. Because of these accomplishments, there have been many African-American men and women serving in the United States Congress. We have had in our Supreme Court and still have African-American Justices, beginning with Justice Marshall and currently with Justice Thomas. And with the new administration that we have just ushered in, we have Colin Powell, the first African-American Secretary of State, and Condoleezza Rice as our National Security Adviser.

African-American men and women have contributed greatly to other facets of our society, constantly improving it for future generations. They have been artists, musicians, athletes, educators and scientists. Jackie Robinson was the first African-American to play for a major league baseball team and will be memorialized as the man who broke the color barrier. Today, there are African-American athletic heroes like NBA star Michael Jordan and Marion Jones, member of the U.S. Olympic team. With the onset of the Harlem Renaissance musicians like Scott Joplin and Ella Fitzgerald flourished, leading the way for other African-American musicians. Writers like Zora Neale Hurston and Langston Hughes led the way for contemporary writers such as Toni Morrison. Many African-Americans have taken great strides in science and medicine. Dr. Charles Richard Drew organized the concept of blood banks and ran the first full time blood bank during World War II. Several African-American men and women have worked with our Space Program including Dr. Mae C. Jamison, the first African-American female astronaut.

In my home in Orange County, NY, a recently published book entitled ''Genealogical History of Black Families of Orange County'' by local author Robert W. Brennan, traces the history of our local African-American families. It underscores the bittersweet truth that the crime of slavery was NOT, as many lead us to believe, an unpopular crime against humanity confined to certain southern states. In fact, the book makes clear that while slavery was abolished in New York State on July 4, 1827, the lingering residue of racial bigotry continued for many, many years afterwards—and, in some ways, right up to the present.

Black History Month is an appropriate time to look forward as well as to the past. We must continue to fight against inequalities. We must continue to push all of our children to reach their potential and to achieve their goals.

Our society's strength rests within all its inhabitants. Today, and throughout this month we rightfully honor the African-Americans who have added to the strengths of our great nation as well as all of humanity. Accordingly, I urge my colleagues and all Americans to express their appreciation for the contributions African-Americans have made to our nation.

NATIONAL CHILD PASSENGER SAFETY

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. KLECZKA. Mr. Speaker, today I reintroduce legislation that I believe is vital to the safety of our children as they make their way to and from school. The introduction of this legislation is especially timely as we observe National Child Passenger Safety Week, February 12th–16th.

Each day, parents in this country send their children off to school believing their young ones will arrive safely. However, since 1985, close to 1,500 people have died in school bus related accidents. These numbers reveal the need for action to make school buses safer. Both the American Academy of Pediatrics and the American College of Emergency Physicians gave their support and endorsement to identical legislation in the last session of Congress.

The basic design of the large yellow school bus has not been changed since 1977. While the design of high-back padded seats known as ''compartmentalization'' provides protection in head-on collisions, it does nothing to secure passengers during rear-end, side-impact and rollover collisions. In these situations, children can be thrown from their seats, into one another or into aisles, blocking quick evacuation.

My legislation would require seat belts on school buses by prohibiting the manufacture, sale, delivery, or importation of school buses without seat belts. In addition, the measure would impose civil penalties for those that do not comply.

Daily, 23.5 million children are taken to and from schools and school-related activities by roughly 440,000 public school buses. Since these buses travel nearly 4.3 billion miles each year with young people on board, it is imperative that every precaution be taken to ensure their safety.

Since I last introduced this legislation, the states of Florida, Louisiana, and California have joined the states of New Jersey and New York to require seat belts on school buses. I commend the action of these states, and I urge my fellow colleagues to support the legislation to help make the trip to and from school safer for all of our nation's school children.

MR. AMIGO 2000

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. ORTIZ. Mr. Speaker, I wish today to commend the 2000 ''Mr. Amigo,'' Jorge Muñiz, chosen recently by the Mr. Amigo Association of Brownsville, TX, and Matamoros, Tamaulipas, in Mexico. Each year the Mr. Amigo Association honors a Mexican citizen with the title of ''Mr. Amigo,'' and that person acts as a goodwill ambassador between our two countries. Their selection honors a man or woman who has made a lasting contribution during the previous year to international solidarity and goodwill. ''Mr. Amigo'' presides over the annual Charro Days Festival.

The Charro Days Festival is a pre-Lenten event, much like Mardi Gras in New Orleans, held in Brownsville and Matamoros. Charro Days festivities last for several days; this year they will be February 23–27 and will include parades and appearances by Mr. Muñiz. Charro Days is an opportunity to enjoy the unique border culture of the Rio Grande Valley area. As Mr. Amigo 2000, Muñiz will head the international parade of Brownsville Charro Days and Matamoros Fiestas Mexicanas festivities.

During Charro Days, South Texans celebrate the food, music, dances, and traditions of both the United States and Mexico. The United States-Mexican border has a unique, blended history of cowboys, bandits, lawmen, farmers, fishermen, oil riggers, soldiers, scientists, entrepreneurs, and teachers.

The border has its own language and customs. On both sides of the border, there is a deep sense of history, much of which the border has seen from the front row. We have seen war and peace; we have known prosperity and bad times. Charro Days is a time for all of us to reflect on our rich history, to remember our past and to celebrate our future. The Mr. Amigo Award began in 1964 as an annual tribute to an outstanding Mexican citizen.

The 2000 Mr. Amigo, Mr. Muñiz, is a singer and TV host. The selection of Jorge Muñiz, cohost of the weekly music TV show ''Al fin de semana,'' comes almost 10 years after his father, another Mexican singer, Marco Antonio Muñiz, also served as Mr. Amigo. The realization that he followed his father with this honor was quite emotional for him.

He has recorded 12 albums over a 20-year span in the music and entertainment industry. Affectionately known as ''Coque,'' Mr. Muñiz is one of the most liked and recognized personalities not only in Mexico but the rest of the continent. During his career he has shared the stage with well-known personalities such as: Marco Antonio Muñiz (his father), Cecilia Gallardo, and Alberto Vasquez. His theater credits also include projects with legends like Lucha Villa, Maria Victoria, and the late Paco Stanley.

I urge my colleagues to join me in commending Jorge Muñiz, the 2000 Mr. Amigo, as well as the cities of Brownsville and Matamoros, for their dedication to international goodwill between the United States and Mexico.

HONORING MAYOR GARTH G. GARDNER

HON. GRACE F. NAPOLITANO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. NAPOLITANO. Mr. Speaker, I wish to honor a truly remarkable public servant in my

Congressional district. Mayor Garth G. Gardner is retiring as mayor of Pico Rivera, Calif., capping off a public career that expands nearly 50 years.

Mr. Gardner was born on September 25, 1922 in Carbon County, Utah, graduating from Carbon County High School in 1940. After attending Carbon County Junior College for two years, Mr. Gardner enlisted in the U.S. Air Force. Based in New Guinea in the South Pacific, he flew 29 missions against the enemy in a B–24 liberator, with a crew of 10 servicemen. For his acts of bravery and honor during World War II, I presented Mayor Gardner with the Purple Heart Medal on Veterans Day, November 11, 2000.

Following his return to the United States, Mr. Gardner married Mary Ponti on December 30, 1945. Six days after his marriage, Garth was discharged from the U.S. Air Force and soon began pursuing a Bachelor of Science degree in Business Administration from the University of Southern California, graduating in 1948. Following his graduation, Mr. Gardner settled in Pico Rivera, where he raised his three sons.

Mayor Gardner began his career working for the Los Angeles County Flood Control District for 25 years and retired from the County in 1976. Elected to the Pico Rivera City Council in 1972, Mayor Gardner has been re-elected every four years and will serve until his retirement next month. Also, during his tenure on the City Council, Mr. Gardner served as Mayor in 1974, 1977, 1982, 1987, 1991, 1995, 1998 and 2000. Mayor Gardner has also served on numerous commissions and coalitions throughout his public career.

I am truly honored to know and have worked with Mayor Gardner during his illustrious career and wish him and his family much happiness in the future.

TRIBUTE TO DR. HAROLD NOVOG

HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. WEINER. Mr. Speaker, I pay tribute to Dr. Harold Novog who will celebrate his 70th birthday on February 17, 2001. Dr. Novog is an outstanding member of the New York health community and a dedicated, caring physician.

A native of New York City, Dr. Novog attended this country's premier science high school, Stuyvesant High School, graduating with honors in 1948. He entered Queens College where he studied until he was called to active duty in the U.S. Air Force. He served in a medical unity at Fort Ethan Allen in Vermont and later at Lackland Air Force Base in Texas. After completing his military service, Dr. Novog returned to civilian life to finish his education. Graduating from Queens College in 1953, he went on to attend Downstate Medical Center where he received his medical degree in 1957. He completed a 1-year internship at Meadowbrook Hospital in Hempstead, NY, and a 3-year residency in Internal Medicine at the Veterans Administration Medical Center in the Bronx, NY. He was board certified in internal medicine in 1962.

Dr. Novog maintained a private practice while serving on the staff at Jamaica and Booth Memorial Hospitals and at the Chapin Nursing Home in Queens, NY. During his tenure at Booth Memorial, he served on the staff of the hospital's first detoxification unit. As a result of his outstanding work at Booth Memorial, Dr. Novog, in 1984, was appointed the medical director of ''Alive and Well,'' a private treatment center for alcoholics.

Dr. Novog left private practice to join the staff of Columbia Presbyterian Hospital in 1987 remaining there until his retirement in July 2000. While at Columbia Presbyterian he became, in the truest sense, a ''doctor's doctor,'' responsible for the health care of the hospital's staff.

Dr. Novog's exemplary service to the New York community is greatly appreciated. His dedication to medicine, his professional integrity and his commitment to the highest standards of patient care have earned him the acclaim and respect of staff and patients alike. As he commemorates this significant milestone, it is indeed an honor for me to join with Dr. Novog's family, friends and colleagues in conveying my warmest birthday wishes. Dr. Novog has my heartiest personal congratulations. I ask you to join me in honoring Dr. Novog for his distinguished career in serving others.

RECOGNITION OF EXEMPLARY STUDENT VOLUNTEER

HON. TIM JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. JOHNSON of Illinois. Mr. Speaker, I would like to congratulate and honor a young Illinois student from my district who has achieved national recognition for exemplary volunteer service in her community. Allison Harms of Bloomington has just been named one of my state's top honorees in the 2001 Prudential Spirit of Community Awards program, an annual honor conferred on the most impressive student volunteers in each state, the District of Columbia and Puerto Rico.

Ms. Harms is being recognized for her creation of ''Sew On and Sew Forth,'' an organization that provides hand-sewn items such as quilts, teddy bears, pillows, and clothing to the sick and needy in her community.

In light of numerous statistics that indicate Americans today are less involved in their communities than they once were, it's vital that we encourage and support the kind of selfless contribution this citizen has made. People of all ages need to think more about how we, as individual citizens, can work together at the local level to ensure the health and vitality of our towns and neighborhoods. Young volunteers like Ms. Harms are inspiring examples to all of us, and are among our brightest hopes for a better tomorrow.

The program that brought this young role model to our attention—the Prudential Spirit of Community Awards—was created by the Prudential Insurance Company of America in partnership with the National Association of Secondary School Principals in 1995 to impress upon all youth volunteers that their contributions are critically important and highly valued, and to inspire other young people to follow their example. Over the past 6 years, the program has become the nation's largest youth recognition effort based solely on community service, with nearly 100,000 youngsters participating since its inception.

Ms. Harms should be extremely proud to have been singled out from such a large group of dedicated volunteers. I heartily applaud Allison Harms for her initiative in seeking to make her community a better place to live, and for the positive impact she has had on the lives of others. She has demonstrated a level of commitment and accomplishment that is truly extraordinary in today's world, and deserves our sincere admiration and respect. Her actions show that young Americans can—and do—play important roles in our communities, and that America's community spirit continues to hold tremendous promise for the future.

MEDICARE MENTAL ILLNESS NON-DISCRIMINATION ACT

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. ROUKEMA. Mr. Speaker, today I am reintroducing the Medicare Mental Illness Non-Discrimination Act, legislation to end the historic discrimination against Medicare beneficiaries seeking outpatient treatment for mental illness. I first introduced this bill in the 106th Congress, and I am pleased to again sponsor anti-discrimination legislation in the 107th Congress.

Medicare law now requires patients to pay a 20 percent copayment for Part B services. However, the 20 percent copayment is not the standard for outpatient psychotherapy services. For these services, Section 1833(c) of the Social Security Act requires patients to pay an effective discriminatory copayment of 50 percent.

Let me explain this another way: If a Medicare patient has an office visit to an endocrinologist for treatment for diabetes, or an oncologist for cancer treatment, or a cardiologist for heart disease, or an internist for the flu, the copayment is 20 percent. But if a Medicare patient has an office visit to a psychiatrist or other physician for treatment for major depression, bipolar disorder, schizophrenia, or any other illness diagnosed as a mental illness, the copayment for the outpatient visit for treatment of the mental illness is 50 percent. The same discriminatory copayment is applied to qualified services by a clinical psychologist or clinical social worker. This is quite simply discrimination. It is time for Congress to say ''enough.''

U.S. Surgeon General David Satcher, M.D., Ph.D. recently released a landmark study on mental illness. The Surgeon General's report is an extraordinary document that details the depth and breadth of mental illness in this country. According to Dr. Satcher, ''mental disorders collectively account for more than 15 percent of the overall burden of disease from all causes and slightly more than the burden associated with all forms of cancer.'' The burden of mental illness on patients and their families is considerable. The World Health Organization reports that mental illness including suicide ranks second only to heart disease in the burden of disease measured by ''disability adjusted life year.''

The impact of mental illness on older adults is considerable. Prevalence in this population of mental disorders of all types is substantial. Eight to 20 percent of older adults in the community and up to 37 percent in primary care settings experience symptoms of depression, while as many as one in two new residents of nursing facilities are at risk of depression. Older people have the highest rate of suicide in the country, and the risk of suicide increases with age. Americans age 85 years and up have a suicide rate of 65 per 100,000. Older white males, for example, are six times more likely to commit suicide than the rest of the population. There is a clear correlation of major depression and suicide: 60 to 75 percent of suicides of patients 75 and older have diagnosable depression. Put another way, untreated depression among the elderly substantially increases the risk of death by suicide.

Mental disorders of the aging are not, of course, limited to major depression with risk of suicide. The elderly suffer from a wide range of disorders including declines in cognitive functioning, Alzheimer's disease (affecting 8 to 15 percent of those over 65) and other dementias, anxiety disorders (affecting 11.4 percent of adults over 55), schizophrenia, bipolar disorder, and alcohol and substance use disorders. Some 3 to 9 percent of older adults can be characterized as heavy drinkers (12 to 21 drinks per week). While illicit drug use among this population is relatively low, there is substantial increased risk of improper use of prescription medication and side effects from polypharmacy.

While we tend to think of Medicare as a ''senior citizen's health insurance program,'' there are substantial numbers of disabled individuals who qualify for Medicare by virtue of their long-term disability. Of those, the National Alliance for the Mentally Ill reports that some 400,000 non-elderly disabled Medicare beneficiaries become eligible by virtue of mental disorders. These are typically individuals with the severe and persistent mental issnesses, such as schizophrenia.

Regardless of the age of the patient and the specific mental disorder diagnosed, it is absolutely clear that mental illness in the Medicare population causes substantial hardships, both economically and in terms of the consequences of the illness itself. As Dr. Satcher puts it, ''mental illnesses exact a staggering toll on millions of individuals, as well as on their families and communities and our Nation as a whole.''

Yet there is abundant good news in our ability to effectively and accurately diagnose and treat mental illnesses. The majority of people with mental illness can return to productive lives if their mental illness is treated. That is the good news: Mental illness treatment works. Unfortunately, today, a majority of those who need treatment for mental illness do not seek it. Much of this is due to stigma, rooted in fear and ignorance, and an outmoded view that mental illnesses are character flaws, or a sign of individual weakness, or the result of indulgent parenting. This is most emphatically not true. Left untreated, mental illnesses are as real and as substantial in their impact as any other illnesses we can now identify and treat.

Mr. Speaker, Medicare's elderly and disabled mentally ill population faces a double burden. Not only must they overcome stigma against their illness, but once they seek treatment the Federal Government via the Medicare program forces them to pay half the cost of their care out of their own pockets. Congress would be outraged and rightly so if we compelled a Medicare cancer patient to pay half the cost of his or her outpatient treatment, or a diabetic 50 cents of every dollar charged by his or her endocrinologist. So why is it reasonable to tell the 75-year-old that she must pay half the cost of treatment for major depression? Why should the chronic schizophrenic incur a 20 percent copayment for visiting his internist, but be forced to pay a 50 percent copayment for visiting a psychiatrist for the treatment of his schizophrenia?

It is most emphatically not reasonable. It is blatant discrimination, plain and simple, and we should not tolerate it any longer. That is why I am introducing the Medicare Mental Illness Non-Discrimination Act. It is time we acknowledged what Dr. Satcher and millions of patients and physicians and other health professionals and researchers have been telling us: Mental illnesses are real, they can be accurately diagnosed, and they can be just as effectively treated as any other illnesses affecting the Medicare population. We can best do that by eliminating the statutory 50 percent copayment discrimination against Medicare beneficiaries who, through no fault of their own, suffer from mental illness.

My legislation is extremely simple. It repeals Section 1833(c) of the Social Security Act, thereby eliminating the discriminatory 50 percent copayment requirement. Once enacted, patients seeking outpatient treatment for mental illness would pay the same 20 percent copayment we require of Medicare patients seeking treatment for any other illnesses. My bill is a straightforward solution to this last bastion of Federal health care discrimination.

Last year, via Executive Order we at last initiated parity coverage of treatment for mental illness for our federal employees and their families. Members of Congress and their staff, who are covered under FEHPB, have parity for treatment of mental illnesses. If parity is good enough for federal employees and for Members of Congress and their staff, can we now do any less for our Medicare beneficiaries? I urge my colleagues to join with me in righting this wrong.

Mr. Speaker, I ask that a letter in support of this legislation from Dr. Daniel B. Borenstein, President of the American Psychiatric Assocaiton, be included in the Record.

AMERICAN PSYCHIATRIC ASSOCIATION,
Washington, DC, January 5, 2001.

Hon. MARGE ROUKEMA,
House of Representatives, Rayburn House Office Building, Washington DC.

DEAR CONGRESSWOMAN ROUKEMA: The American Psychiatric Association (APA) a medical specialty society representing over 40,000 psychiatric physician nationwide, is deeply concerned about the crisis surrounding children's mental health. We welcome the opportunity to work with the 107th Congress as it presents America with the opportunity to dedicate itself to the well being of our children and families.

According to the ''National Action Agenda on Children's Mental Health'' released by the Surgeon General earlier this week; the United States is facing a disastrous state of health care for children. In the U.S., 1 in 10 children and adolescents suffer from mental illness severe enough to cause impairment. Yet, in any given year, it is estimated that fewer than 1 in 5 of these children receives needed treatment. The long-term consequences of untreated childhood disorders are costly, both in human and fiscal terms.

It is a national crisis that millions of Americans continue to struggle with mental illness. Children and families are suffering because of missed opportunities for prevention and early identification, low priorities for research and resources and fragmented services. Overriding all of this is the issue of stigma, which continues to surround mental illness.

The American Psychiatric Association and our members are pleased to offer our medical expertise and experience expertise to you and your staff on the critical issues outlined in the Surgeon General's Report. We place particular emphasis on the Report's call for the need to: develop and disseminate scientifically-proven prevention, diagnostic and treatment services in the field of children's mental health; eliminating the ethnic and socioeconomic disparities in access to mental health care; and increasing access to and coordination of quality mental health care services. If the APA can be of further assistance, have your staff contact our Division of Government Relations at 202/682–6060.

Sincerely,
DANIEL B. BORENSTEIN, M.D.,
President.

HONORING MARY VIRGINIA BURRUS

HON. JAMES A. LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. LEACH. Mr. Speaker, today I express my gratitude and appreciation for the work of Mary Virginia ''Ginny'' Burrus.

Ginny joined my staff on January 16, 1985, providing constituent service in my Burlington, Iowa, office. She and her late husband David owned their own business in Burlington and she had long been active in promoting tourism, the arts as well as the economy of southeastern Iowa.

After redistricting, Ginny helped open my Iowa City office in 1992, continuing to provide outstanding service to the residents of Iowa's First Congressional District.

All of my colleagues know how essential to the functioning of government is the ombudsman role in Congressional offices, and particularly caseworkers within them, play. For constituents with problems, be it with veterans benefits, Social Security, Medicare or student loans, the federal bureaucracy can be a bewildering maze, the applicable laws and regulations often seemingly irrational. An experienced, knowledgeable and sympathetic caseworker can be indispensable in getting the answers needed and problems resolved.

In the 16 years she worked with me, Ginny epitomized the consummate professional and her file is fat with letters from Iowans thanking her for the help she provided. In recent years, as immigration casework increased, her knowledge of immigration law, regulations, processes and paperwork has become legendary. Equally well known has been her patience, both with harried staffers at INS and with newcomers to this country, unfamiliar with both its language and its ways.

Ginny has provided me and the citizens of Iowa a model of what public service is all about. She will now have more time to enjoy

her daughters, Alicia, Alexandra and Anita, and her grandson Kerr and granddaughter Hannah, as well as the opportunity to play more bridge.

It is with profound gratitude that I wish Ginny all the best in a well-earned retirement.

PERSONAL EXPLANATION

HON. MARY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. BONO. Mr. Speaker, I was necessarily absent for all legislative business during the week of February 5, 2001 through February 10, 2001, due to a medical condition. As a result, I missed the following votes: On Tuesday, February 6, 2001—question ''On Motion to Suspend the Rules and Pass'' (roll No. 9) for issue H.J. Res. 7—Recognizing the 90th birthday of Ronald Reagan—question ''On Motion to Suspend the Rules and Agree'' (roll No. 10) for issue H. Res. 28—Honoring the contributions of Catholic schools. On Wednesday, February 7, 2001—question ''On Motion to Suspend the Rules and Pass'' (roll No. 11) for issue H.R. 132—To designate the Goro Hokama Post Office Building in Lanai City, Hawaii.

Had I been present, I would have voted ''yea'' for question ''On Motion to Suspend the Rules and Pass'' for issue H.J. Res. 7 (roll No. 9), ''yea'' for question ''On Motion to Suspend the Rules and Agree'' for issue H. Res. 28 (roll No. 10), and ''yea'' for question ''On Motion to Suspend the Rules and Pass'' for issue H.R. 132 (roll No. 11).

PRESCRIBING ALTERNATIVE PAYMENT METHODS UNDER THE TRICARE PROGRAM

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, I rise to introduce a bill that would allow retired members of the military to pay their TRICARE enrollment fees on a monthly basis.

Currently, TRICARE enrollees must pay their annual enrollment fees all at once or on a quarterly basis. Enrollment fees are $230/year for individual enrollment, and $460/year for family enrollment.

My bill establishes alternative payment mechanisms to provide for payment of such fees through: a deduction from military retired or retainer pay; a deduction from monthly Social Security benefits; and an electronic funds transfer from a checking or savings account.

Last year we passed legislation that enables the Department of Defense to provide TRICARE benefits to Medicare-eligible beneficiaries. As we honor our military retirees with access to a wonderful health care program, we should remember that many retirees are living on a fixed income. A one-time enrollment payment can severely limit their resources. My bill is designed to help individuals with a limited income spread out the payment of the yearly enrollment fee over 12 months.

I urge all members to cosponsor this legislation.

TRIBUTE TO CLAFLIN UNIVERSITY STUDENTS

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to twenty-two exceptional students at Claflin University, who are participating in the ''Call Me Mister'' program.

''Call Me Mister'' was developed to address the looming shortage of teachers, especially black male teachers. The program strives to place black males in front of elementary school classrooms in order to provide positive role models for our children.

Each of the twenty-two participants in ''Call Me Mister'' at Claflin underwent a rigorous application process and are required to maintain a minimum grade point average. The students will complete 300 hours of community service before they graduate.

Black youths in South Carolina have the highest dropout rate of any group and twenty percent are held back in the first grade. These children are in desperate need of African American men to model their lives after, who can show them that the American dream can come true for all Americans.

''Call Me Mister'' promises to provide the State of South Carolina with a new breed of teachers. Less than one percent of the state's teachers are African American males despite the fact that the state is one-third black. Claflin University and the wonderful participants in the ''Call Me Mister'' program are working to make South Carolina's elementary school classrooms more representative of the state itself.

Mr. Speaker, the ''Call Me Mister'' program is working to improve South Carolina schools along with the mentality of African American men. Please join me in paying tribute to these wonderful students and this long overdue program as they work to better the educational system in my state.

CONGRATULATING THE UKRAINIAN PEOPLE ON POPE JOHN PAUL II's UPCOMING VISIT

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. KUCINICH. Mr. Speaker, today I congratulate the Ukrainian people on His Holiness Pope John Paul II's upcoming visit in June. The Pope recently accepted an invitation from Ukraine's President to visit the country, undoubtedly answering the prayers of many Catholic Ukrainians.

Mr. Speaker, many of my constituents would also like to see His Holiness Orthodox Patriarch Bartholomew of Constantinople visit Ukraine. Ukraine has a large Orthodox population, and a visit by the Patriarch to the country would be a blessing to them and would promote harmony between Catholic and Orthodox worshippers throughout Ukraine.

INTRODUCTION OF LEGISLATION ON MODIFYING THE FTC'S ORIGIN RULES FOR WATCHES

HON. DONNA M. CHRISTENSEN

OF VIRGIN THE ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. CHRISTENSEN. Mr. Speaker, today I am introducing legislation which would modify the Federal Trade Commission's practices for determining the country of origin of domestic watches, including those watches manufactured in the United States Virgin Islands.

The watch industry is the largest light manufacturing industry in the U.S. Virgin Islands and remains one of the most important direct and indirect sources of private sector employment in the Territory. The insular watch production industry is also highly importsensitive and faces continued threats from multinational watch producers, who have continued to move their watch production to lower wage countries. The legislation that I am introducing today will help assure that domestic watch producers can compete on a level playing field with foreign producers with respect to the labeling and advertising of the origin of watches sold in the U.S. marketplace.

Currently, the FTC's test for determining whether a watch in made in the United States differs from the FTC's origin test for foreign-made watches, the Customs Service origin test for imported watches and longstanding international practice. The legislation that I am introducing today would rationalize these various tests by requiring that the FTC employ a common and well-established standard for determining the origin of all watches. This modification to the FTC's practice would help ensure that consumers have a uniform basis on which to judge the country of origin of watches. It would also help promote the operations of U.S. watch producers, particularly those in the U.S. Virgin Islands. The production of watch movements by these producers (and their subsequent production of finished watches) involve highly labor intensive operations which add considerable value to the finished watch and to the U.S. and Virgin Islands economies.

The country of origin of a watch is, by longstanding international trade practice, generally considered to be the country in which the watch movement is produced. The movement is the ''guts'' of a watch. The production of a watch movement involves numerous, labor-intensive operations involving inspection, quality control, reworking and testing of some 35 to 45 individual parts prior to, during and after assembly. These operations require substantial investment in diversified precision equipment and employee training and add considerable value to the finished watch.

In determining the country of origin of imported products, the U.S. Customs Service generally employs the well-established concept of ''substantial transformation.'' The substantial transformation test—which is supported by almost 100 years of judicial and administrative precedent—recognizes that some functional changes and processes involved in the production of an imported product are so

significant as to create an entirely new article. I am informed that, in applying this concept to imported watches, the Customs Service has followed international practice and has determined that the production of a watch movement results in a substantial transformation and thereby determines the country of origin of the finished watch. Additionally, under the ''tariff shift'' origin rules adopted under NAFTA, the country of origin of the watch is the country where the movement was produced.

In evaluating product labels or advertising that state a foreign country of origin for watches and other imported products, the Federal Trade Commission has generally permitted foreign claims that are based on substantial transformation. For example, based on the FTCs practice under section 5 of the Federal Trade Commission Act, a watch whose movement was produced in a foreign country from parts sourced worldwide could be labeled and/or advertised as made in that foreign country.

The Federal Trade Commission applies a different and much more strict origin test to watches produced in the United States and the U.S. territories. Under this test, a watch whose movement is produced in the United States or the U.S. territories cannot be labeled or advertised as ''Made in the USA'' unless all or virtually all of the parts and labor employed in producing the movement and finished watch are of domestic origin. Thus, the FTC applies substantially different tests for determining the foreign and domestic origin of watches. These tests lead to different results in situations in which the only difference between two watches is the country where the movement was assembled.

The FTC's current origin tests for watches discriminate against domestic producers, including those in the U.S. Virgin Islands. Given the globalization of the international watch components industry, it is virtually impossible, as a practical matter, for a domestic producer to source all of its watch components from U.S. sources. Thus, watches produced in the United States from U.S. assembled movements cannot be marked ''Made in the USA'' even though their production involves highly labor intensive operations which add considerable value to the watch. In contrast, under the FTC's current test, a watch made from a movement assembled in Japan from imported parts could be labeled as ''Made in Japan.'' These conflicting tests put U.S. producers at a considerable disadvantage in the marketplace and are confusing to U.S. consumers.

My legislation would correct this unfair and confusing situation by requiring that the FTC apply the same substantial transformation test for determining the origin of all watches, including those watches that are labeled or advertised as ''Made in the USA.'' This common test will assure that origin rules for domestic watches conform with well-established international and Customs Service practice and the FTC's own practice for imported watches. It will enable U.S. producers, including those in the Virgin Islands, to employ country of origin labels or claims in the same circumstances in which their foreign competitors could label or advertise that their watches are made in a foreign country. Finally, the legislation would provide U.S. consumers with a clear and consistent test for determining where watches are made.

FAIRNESS TO LOCAL CONTRACTORS ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, today I am introducing the Fairness to Local Contractors Act to help local contractors compete for military construction projects. The purpose of the bill is to address concerns raised by various unions, contractors, and the State of Hawaii, that local companies are not getting a fair shot at competing for military construction contracts.

The ability of out-of-state contractors to ignore state tax and employment laws have allowed them to avoid costs that local companies have to meet and thereby outbid our local companies.

The problem of out of state contractors dodging state tax and employment laws was documented at the Congressional hearing I held on August 5, 1995, in Hawaii. The bill incorporates many of the suggestions and proposals made at this hearing on ways to make the bidding process more equitable for local companies.

The bill requires contractors to obtain a state tax clearance in order to be an eligible bidder on military construction projects; it requires them to obtain a state tax clearance and certify compliance with state employment laws in order to receive the final project payment; allows a military agency to withhold payment in order to meet state tax obligations; and it requires a contractor that has won a bid to obtain a state license in the state in which the work is to be performed, if that state requires such a license.

Military construction work is an important part of Hawaii's economy. Not only will Hawaii's local companies benefit from this legislation, but all local companies across the nation will have a fair chance to compete for these projects that are worth millions of dollars.

By joining me in supporting the Fairness to Local Contractors Act we can provide the enforcement needed to make sure all bidders play by the same rules. I urge my colleagues to cosponsor and support this legislation.

TRIBUTE TO LOUIS WELDON HAMMOND

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Attorney Louis Weldon Hammond who, for over 37 years, tirelessly served our veterans and was a trailblazer in his field.

Attorney Hanimond was bom in Ridge Spring, SC on January 5, 1939. He attended Morehouse College and obtained his bachelor and law degrees from South Carolina State College. For more than 35 years, he has been married to the former Loretta Thomas. They have two children, Kartika Loretta Hammond and Louis Weldon Hammond II.

After graduating law school as the top Administrative Law student, the Veterans Administration Regional Office in Columbia, South Carolina, recognized his talefit and hired Mr. Hammond. His success on the job cast him into the role of trailblazer. Mr. Hammond was the first African American to hold each position as he rose through the ranks. The positions he held included Legal Claims Examiner, Veterans Claims Rating Board, Veterans Claims Examiner Authorizer, Section Chief, Assistant Adjudication Officer and Veterans Service Center Manager. He also served as an Equal Employment Opportunity Counselor and National Equal Employment Investigator.

His career successes led to his appointment to a number of positions of distinction including Chairman of National Adjudication Officer's Advisory Committee, Southern Area Adjudication Officers Advisory Committee, and the V.A.'s top Leadership award. Mr. Hammond's distinguished career also led him to receive the award of first runner-up for Federal Employee of the Year for 1977.

Perhaps his dedicated service to the Veterans Administration stemmed from his distinction as a veteran himself. He rose to the rank of SGT E-6 (Staff Sergeant) and received numerous honors including; Good Conduct Medal, Army Expeditionary Medal, Army Commendation Letter, Outstanding Soldier of Encampment, Outstanding Soldier of Reserve Unit, Court Martial Coordinator—Santo Domingo, Dominican Republic.

Outside his legal and military career, Mr. Hammond was, and continues to be, very active in his community. Mr. Hammond founded a neighborhood organization called New Castle Concerned Citizens, and serves as a poll manager in his Midway precinct. He has also participated in a number of other organizations. He served on the Board of Directors at Providence Home and the Advisory Board of Richland Northeast High School and as former Chairman and Treasurer of the Kitani Foundation, Past President of the South Carolina State College's Columbia Alumni Association, and past president of the Dent Middle School PTO.

Mr. Hammond is a Life Member of the NAACP and Kappa Alpha Psi Fraternity. He is a member of First Calvary Baptist Church, where he has served as Deacon, Chairman of a $2.5 million building project, as the Minister's Administrative Assistant, and is a member of two choirs. His dedication to South Carolina veterans and to the community was recognized on December 19, 2000 when Governor Jim Hodges awarded Mr. Hammond the Silver Crescent.

Mr. Speaker, we seldom meet people who give so tirelessly of their time and efforts as Louis Weldon Hammond, Sr. Please join me in paying tribute to this wonderful South Carolinian, a personal friend, and a trailblazer who earned the reputation of being a dedicated, just, equitable, fair and caring professional during his long and distinguished career.

UKRAINE'S CONTINUED INDEPENDENCE

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. KUCINICH. Mr. Speaker, today I voice support for Ukraine's continued independence

and its efforts at cultivating a strong relationship with the West.

Mr. Speaker, Ukraine declared its independence from the Soviet Union in 1991, and since then has embarked on a long march towards democracy. Along the way, it has gradually oriented itself towards the West and embraced Western institutions. Ukraine was the first post-Soviet state to join NATO's Partnership for Peace program. It has since become party to a NATO-Ukraine Commission, which meets at various times throughout the year, and is a member of the Council of Europe. Ukraine has stated that its strategic goal is integration into Western political and security structures, including, potentially, NATO itself.

Mr. Speaker, I would also like to express support for Ukraine's Prime Minister, Viktor Yuschenko, and his wife Katherine, who is American. Prime Minister Yuschenko has worked tirelessly to end corruption and carry out democratic reforms in Ukraine, recently under turmoil because of the undemocratic actions of others in power. His continued leadership will be critical to the success of this progressing nation.

INTRODUCTION OF LEGISLATION ON REVISIONS TO THE PIC PROGRAM

HON. DONNA M. CHRISTENSEN

OF VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. CHRISTENSEN. Mr. Speaker, today I introduce a bill which would make a series of technical and/or noncontroversial adjustments to the Production Incentive Certificate (''PIC'') program for watch and jewelry produced in the U.S. insular possessions. In the near term, this legislation would improve the operation of the PIC program for both watch and jewelry manufacturers in the U.S. Virgin Islands—producers that provide a critical source of employment for the Territory. Over the longer term, this legislation would protect the PIC program and related duty incentives from the effects of any future reduction or elimination of watch tariffs.

The watch industry is the largest light manufacturing industry in the USVI and remains one of the most important direct and indirect sources of private sector employment in the Territory. The insular watch production industry is also highly import-sensitive and faces continued threats from multinational watch producers, who have continued to move their watch production to lower wage countries.

Congress and successive Administrations have recognized the importance of the watch industry to the USVI—and the import sensitivity of watches—through a series of significant enactments and decisions. The General Note 3(a) program, which Congress has incorporated in the Harmonized Tariff Schedule, grants duty-free treatment for qualifying insular possession watches and thereby provides a relative duty advantage vis-à-vis foreign watch producers. Through the PIC program, insular possession watch producers can obtain duty refunds based on creditable wages paid for watch production in the insular possessions. Additionally, in recognition of the relative advantage that duty-free treatment of watches provides to insular possession watch producers, Congress and successive Administrations have resisted efforts to eliminate watch duties on a worldwide basis.

In 1999, Congress extended the General Note 3(a) program and PIC program benefits to jewelry produced in the insular possessions. In doing so, Congress sought to promote vital employment in the insular possessions by extending existing watch industry incentives to jewelry production—an industry which utilizes many of the same skills and facilities as watch production. Since enactment of this important change, four mainland jewelry manufacturing companies have established operations in the USVI and are participating in the PIC program.

Watch and jewelry producers in the Virgin Islands have consulted with the American Watch Association and U.S. watch firms that import substantial quantities of foreign made watches regarding proposals to preserve and protect benefits for insular possession watches and jewelry, while also mitigating the impact of any future reduction of duties on imported watches. These discussions have resulted in the parties'unified support for the legislation that I am introducing today.

The various technical adjustments set forth in this legislation would enhance the ability of insular watch and jewelry producers to utilize the PIC program while, at the same time, retaining overall PIC program unit and dollar value limits. Additionally, the legislation would establish a standby mechanism to mitigate the impact of any possible future reduction or elimination of watch duties on a worldwide basis through trade negotiations and congressional action. This mechanism—which has broad support among the insular and domestic watch manufacturing and distribution sectors—would ensure that any future reduction in watch duties does not disturb the relative value of current duty incentives and PIC program benefits for the insular watch industry. Importantly, this standby mechanism would have no effect on current watch duties or PIC program limits.

Under the PIC program, producers of watches and jewelry in the U.S. insular possessions are issued certificates by the Department of Commerce for specified percentages of the producer's verified creditable wages for production in the insular possessions. Based on these certificates, the producers are entitled to apply to the U.S. Customs Service for refunds on duties paid on watches. Certain technical provisions of the PIC program, however, impose unnecessary burdens on producers. These include unclear definitions, unduly complex PIC refund provisions and special issues relating to the extension of PIC benefits to jewelry. The legislation that I am introducing today includes technical adjustments to the PIC program to eliminate these burdens, while retaining overall PIC program limits on units and benefits.

Currently, a producer receives a single PIC certificate of entitlement for each calendar year, which is issued by March 1 of the following year. This certificate serves as the basis for the producer's application for duty refunds to U.S. Customs, a process which can take as long as six months. As a result, there can be delays of as long as 18 months between the time a producer incurs a creditable wage payment and the time the producer receives the related duty refund. The proposed legislation would reduce these unnecessary delays by providing for the issuance of PIC certificates of entitlement on a quarterly basis.

Currently, producers must assemble often voluminous import entry information and apply to U.S. Customs for wage-based refunds. If a producer has not paid sufficient import duties, the producer must sell the PIC certificate to another firm, which then applies for the duty refund. In either event, the PIC program assures that an insular producer is compensated for a specified percentage of its verified production wages, regardless of whether it has paid the corresponding amount of import duties. The bill would simplify this refund process by providing producers with the option of applying directly to the Treasury Department for the full amount of their verified PIC program certificates.

For watches, the PIC program establishes a 750,000 unit limitation on the number of watches used to calculate an individual producer's PIC benefits. When the PIC program was extended by Congress to jewelry, this upper limit was also extended to each individual jewelry producer's qualifying jewelry production. While this limit may be appropriate for watches, which are technically sophisticated and relatively expensive, I am informed that it is likely to unduly limit jewelry production in the insular possessions, which relies on large quantities of relatively lower-priced units. My proposed legislation would address this issue by eliminating the 750,000 unit per producer limit for jewelry, while retaining the overall unit and dollar value limits for the PIC program as a whole.

When Congress extended the PIC program to jewelry in 1999, it sought to encourage the phased establishment of new jewelry production in the insular possessions through a transition rule. Under this rule, jewelry items which are assembled (but not substantially transformed) in the insular possessions before August 9, 2001 would be eligible for PIC program and duty-free benefits. Although this new provision has helped attract new jewelry production to the USVI, I am informed that some potential producers are facing administrative, technical and business delays which may severely erode the benefits of the transition rule. The bill would address this issue by extending the transition rule for jewelry for an additional 18 months.

The bill would help to facilitate long term planning by existing insular producers and attract new producers to the insular possessions by extending the authorized term of the PIC program until 2015. The bill would also clarify current law by stating explicitly that verified wages include the amount of any fringe benefits.

For many years, multinational companies that import substantial quantities of foreign-made watches into the United States have sought to reduce or eliminate U.S. watch duties, either through multiple petitions for duty-free treatment for watches from certain GSP-eligible countries or through worldwide elimination of watch duties in trade negotiations. Insular possession watch producers have repeatedly opposed these efforts on the ground that the elimination of duties on foreign watches would eliminate the relative benefit that insular possession producers receive through duty-free treatment under the General Note 3 (a) program and, in turn, lead to the eventual demise of the insular watch industry. Successive Congresses and Administrations have agreed with these arguments and refused to erode the benefits which insular possession

producers receive under General Note 3(a) and the PIC program.

These continued battles over watch duties and the insular possession watch program have imposed significant resource burdens on Virgin Islands watch producers and the Government of the U.S. Virgin Islands, diverting resources and energy that could better be spent in enhancing growth and employment in the insular watch and jewelry industries. Virgin Islands watch producers, the AWA and representatives of U.S. firms that import foreign-made watches are seeking to address this longstanding issue by reconciling existing insular possession watch benefits with any worldwide reduction or elimination of watch duties. The legislation that I am introducing contains two mechanisms to help mitigate against the impact of any future reduction or elimination of watch duties, while also preserving existing watch benefits.

The bill would put in place a standby mechanism that would preserve the benefits of duty-free treatment under General Note 3(a) in the event that Congress and a future Administration were to agree at some future point to eliminate or reduce duties on watches. This mechanism would preserve the relative tariff advantage that insular producers currently enjoy over foreign-made watches by incorporating a ''hold harmless'' provision in the PIC program. Under this standby mechanism, if watch duties were reduced or eliminated in the future, PIC payments to insular producers would also include an amount which reflects the value to the insular producers of the current General Note 3(a) benefit. This mechanism would facilitate the eventual reduction or elimination of watch duties on a worldwide basis while helping to assure that any such duty reduction does not lead to the demise of the insular industry.

Currently, payments under the PIC program are funded from watch duties. An alternative funding source would be required if watch duties were reduced or eliminated on a worldwide basis. The legislation that I am introducing provides that PIC benefits can be funded from jewelry duties or duties on other appropriate products.

It is important to bear in mind that these two mechanisms would only be activated in the event that watch duties are, in fact, reduced or eliminated in the future—decisions that would require considerable deliberation and consultation by the President and Congress. By assuring the continuation of current benefits for insular producers, however, these mechanisms would greatly mitigate the impact of any eventual decision by Congress to reduce or eliminate watch duties.

Congress has long recognized that the current watch industry incentives are critical to the health and survival of the watch industry in the U.S. Virgin Islands. By adopting this legislation, Congress can improve the operation of the PIC program for insular watch and jewelry producers and establish a mechanism to facilitate the eventual reduction or elimination of watch duties on a worldwide basis.

FULL FUNDING FOR PELL GRANTS

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, I rise today to introduce the Pell Grant Full Funding Act.

It is time we live up to our promise of providing students from low-income families access to higher education.

Although we promise eligible students a maximum Pell Grant award of $5,100 for the 2001 school year, we only appropriated funding for a $3,750 maximum award.

How can we renege on a promise to help fund a student's education? We must not impose artificial limits. If we really mean what we say about all students having access to a higher education, we should interpret the Pell Grant Program as an obligation which Congress is according based on strict eligibility standards. We do this with Medicare. We determine if a person is eligible and then we provide that individual with resources for hospitalization, for doctors care, and so forth. We do not tell the person they are eligible and then deny them the medical care when they show up at the hospital. We must not deny students funding for education when they show up at colleges. Obligating ourselves to fund what students are entitled to is the only way we are going to meet our fundamental responsibility to provide access to higher education for all students.

The Pell Grant Full Funding Act that does just that. It will create a contractual obligation on the United States to reimburse institutions that award Pell Grants to its eligible students in the full amount they are entitled to. Simply put, my bill guarantees that eligible students will receive the amount they are entitled to, making it easier to get a higher education.

I urge my colleagues on both sides of the aisle to cosponsor this important legislation.

ENGLISH LANGUAGE AMENDMENT

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. DOOLITTLE. Mr. Speaker, it is my distinct pleasure to reintroduce the English Language Amendment to the Constitution in the 107th Congress. I remain convinced that this nation of immigrants must once again be united under a common tongue.

The notion that our nation's government must function in multiple tongues may appear to be compassionate. Yet recent events once again demonstrate that this apparently compassionate solution is simply not helping the people it may have been intended to help.

The New York Times carried an urgent editorial on January 1st of this year, entitled ''Bungled Ballots in Chinatown.'' The Times noted that ''Chinese-language ballots were translated incorrectly. The 'Democratic' label was translated as 'Republican' and 'Republican' was rendered 'Democratic' for state races.'' In addition, the Chinese instructions for choosing State Supreme Court justices were also flawed. The English instruction read ''Vote for any THREE'' candidates while the Chinese version asked voters to ''Vote for any FIVE.''

How could mistakes like this happen? A quick overview of a manual for prospective professional translators, The Translator's Handbook by Moffey Sofer, suggests that correctly interpreting between two languages is more difficult than some may suppose. There is variation within every language, as anyone who has compared American English with British English knows all too well.

In the case of Chinese, the language is presently written in both traditional and simplified characters and varies between the mainland and Taiwan. Sofer also notes that there are more problems translating between Spanish and English than between other languages and English because:

> [T]here is no single variety of Spanish. There are major differences between the Spanish of Mexico, Central America, northern South America and [s]outhern South America, not to mention such places as Puerto Rico and . . . Spain.

Cuban Spanish, Puerto Rican Spanish, Chicano Spanish and additional forms of Spanish all exist within the borders of the United States, creating vast potential for cross-cultural confusion. Thus, the English word ''eyeglasses'' must be translated as anteojos for one Hispanic community in the U.S., for another as gafas, while a third group prefers espejuelos and still another group refers to eyeglasses as lentes.

Spanish and Chinese aren't the only languages which create translation challenges. The Translators Handbook also notes that ''there are several spoken Arabic dialects which are not always mutually intelligible, such as Syrian and Egyptian and . . . even the official written Arabic has different terms and uses in different Arab countries.''

In fact, translation difficulties are part of the dispute in the Middle East. A July 24, 1999 letter to the New York Times notes that UN Resolution 242 reads in English that Israel is to return unspecified ''territory'' while the French version refers to ''the territory'' (le territorire).

These difficulties of translation underscore the practical problems inherent to multilingual government. Millions of official documents multiplied by a multitude of language translations mean a potential for massive errors.

Without an official language, there would be no legal standard to decide among competing translations of a government document in which the English version said one thing while the translation said something altogether different. My colleagues and I can spend hours negotiating over the exact wording of one phrase in one piece of legislation. We are all aware that wording matters.

Mr. Speaker, these practical problems are about to multiply exponentially, thanks to President Clinton's Executive Order 13166.

Executive Order 13166 received little media coverage when it was signed on August 11th, the last Friday before the Democratic Convention in Los Angeles. Executive Order 13166 will soon be major news with incalculable financial impact on every state, city and town.

Executive Order 13166 is based on belief that to provide services solely in English could ''discriminate on the basis of national origin.'' Thus Clinton Executive Order 13166, as interpreted by the Office of Civil Rights in the Department of Justice, requires every recipient of

federal funds, including ''a federally assisted zoo or theater . . . to take reasonable steps to provide meaningful opportunities for access'' by Limited English Proficient (LEP) individuals.

How will Executive Order 13166 be enforced? The Maine Medical Center, based in Portland, now has nine official tongues and counting, thanks to a settlement with the Department of Health and Human Services' Office of Civil Rights.

The Maine Medical Center is now required to post a ''Interpreter Availability Sign'' to be ''printed at least in English, Farsi, Khmer, Russian, Serbo-Croatian (Cyrillic and Roman alphabets), Somali, Spanish and Vietnamese.''

In addition, hospital personnel must be ''inform[ed] that MMC's policy of providing in-person and telephone interpreter services to LEP (Limited English Proficient] persons is not limited to languages in which [the Interpreter Availability Sign] and other documents are printed.'' In other words, anyone who arrives at the front desk of the Maine Medical Center now has the right to insist on a translation into any language in the world.

Mr. Speaker, allow me to turn next to the question of bilingual education, which the voters of my state abolished in June of 1998.

Thanks to the passage of Proposition 227, more California children are learning English and getting ready to take their rightful place in American society.

On August 20, 2000 the New York Times carried a story in its front page entitled: ''Increase in Test Scores Counters Dire Forecasts for Bilingual Ban.'' The story began:

> Two years after Californians voted to end bilingual education and force a million Spanish-speaking students to immerse themselves in English . . . those students are improving in reading and other subjects at often striking rates, according to standardized test scores released this week. . . . The results are remarkable given predictions that scores of Spanish-speaking students would plummet.
>
> Consider the experience of Ken Noonan, who . . . founded the California Association of Bilingual Educators 30 years ago . . . [he] warned in 1998 that children newly arrived from Mexico and Central America would stop coming to school if they were not gradually weaned off Spanish in traditional bilingual classes.
>
> Now, he says he was wrong.
>
> ''I thought it would hurt kids,'' Mr. Noonan said of the ballot initiative, which was called Proposition 227. ''The exact reverse occurred, totally unexpected by me. The kids began to learn—not pick up, but learn—formal English, oral and written, far more quickly than I ever thought they would.''

There was more good news. While 29% of the state's limited English proficient students were enrolled in bilingual education programs prior to the passage of Prop. 227, the percentage dropped to 12% after the proposition was implemented. ''Even in the classrooms that had been designated as bilingual . . . teachers reveled that . . . their students were receiving much less literacy instruction in their primary language.''

All this means that more California children of immigrants are being taught English. And test scores show they are learning it. Especially in the lower elementary grades, students who arrived at school speaking little or no English have made dramatic improvement in reading and mathematics.

Mr. Speaker, these facts support making English America's official language. Let me now turn to the underlying message of this legislation. Opponents of official English claim legislation of this sort sends the wrong message to Hispanic Americans. They are wrong, as Hispanic Americans from all walks of life are quick to reply.

The real message underlying this legislation was well-expressed by Everett Alvarez, Jr., who led the Republican Convention in the Pledge of Allegiance earlier this year.

Everett Alvarez was the first American pilot shot down in Vietnam. Everett Alvarez is also a proud American of Hispanic descent. In his book, Code of Conduct, Alvarez said, ''I didn't spend eight-and-one-half years of my life as a prisoner of war because I was Hispanic. I didn't get beat up because I was Hispanic. I was an American fighting man.'' Alvarez also had this to say about bilingual education:

> I am proud of being living proof that America is a country in which a person can overcome economic disadvantages and ethnic stereotypes. . . . I believe that education is the key to a successful and happy life in an open society. With that in mind, I oppose the movement to make Spanish (or any other foreign tongue) a second coequal language in American schools. This is a hindrance rather than a help to the young people who will eventually have to make their way in an English-speaking society.

Ernesto Ortiz, a South Texas ranch hand echoed this view. As quoted by John Silber, in his book Straight Shooting: ''My children learn in Spanish in school so they can grow up to be busboys and waiters. I teach them in English at home so they can grow up to be doctors and lawyers.''

Alvarez and Ortiz are joined by Arthur M. Schlesinger, Jr., who so eloquently spoke in his book, The Disuniting of America, of how: ''a common language is a necessary bond of national cohesion in so heterogeneous a nation as America. . . . [I]nstitutionalized bilingualism remains another source of the fragmentation of America, another threat to the dream of 'one people.' ''

The vision which underlies my English Language Amendment is the uniquely American vision of a nation of immigrants united by a common tongue. This is not only the popular position—official English has won handily in my home state of California—is also the right position.

If passed by the Congress and ratified by the states, my English Language Amendment will provide permanent protection from the divisions and dangers of mandatory multilingualism. It is for this reason that I hope Congress will choose this particular approach, though it is a longer and harder road than simple legislation. This nation of immigrants needs a common tongue.

I urge my colleagues to join me in supporting the English Language Amendment.

COALITION FOR AUTISM RESEARCH AND EDUCATION (C.A.R.E.) CAUCUS

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. SMITH of New Jersey. Mr. Speaker, today I joined with Rep. MIKE DOYLE of Pennsylvania and over 60 other Members of the House to introduce a new congressional caucus concerning autism called C.A.R.E., which stands for the Coalition for Autism Research and Education.

As I have said many times before, the parents of children with autism are truly the voices of the voiceless. They are the protectors of those who cannot fend for themselves. For some years now, we have been working to provide help to the parents. But today we have reinforcements. Today we launch a new vehicle through which we can all work towards our common goals.

The Coalition for Autism Research and Education (C.A.R.E.) is a bipartisan Congressional Member Organization (CMO) dedicated to improving research, education, and support services for persons with autism spectrun disorders. I am very proud to be a Co-Chairman of this new organization, and pleased to be working alongside my good friend, and Democrat colleague, MIKE DOYLE of Pennsylvania (PA–18).

At today's press conference we were also honored to have a special guest, Mr. B.J. Surhoff, a professional baseball player who plays left field for the Atlanta Braves. Many of us know B.J. for his skill and grace on the baseball field. But few of us know that of all the challenges and accomplishments he has faced in his life, probably none are more near and dear to his heart than his son, Mason, who is autistic.

I have always believed that the true value of any society can be seen in how it treats its most vulnerable members. And few are as vulnerable and dependent on others as the autistic child.

A key mission of C.A.R.E. is to expand federal research for autism. The caucus will be working hard to build upon a proven record of accomplishments in the area of autism research during the previous 106th Congress.

During the 106th Congress, we passed landmark legislation which established ''Centers of Excellence'' to track cases of autism, increased funding at the Center for Disease Control (CDC) from $1.1 million in Fiscal Year 2000 to $6.7 million in FY 2001 and boosted funding at the National Institute of Health (NIH) from $40 million in FY 1999 to $45 million in 2000. Another significant increase in autism funding is expected at NIH for FY 2001. Congress also held hearings on autism, which have led to a better understanding of the disorder.

Many of my colleagues who I worked with last year on these issues are enthusiastic members of C.A.R.E., including, Dr. DAVE WELDON of Florida, Chairman DAN BURTON of Indiana, and Congressman JIM GREENWOOD of Pennsylvania.

I am extremely proud of the work we did last Congress. The enactment of Title I of the Children's Health Act (P.L 106–310) on October 17, which incorporated provisions of two bills JIM GREENWOOD and I introduced—HR 274 and HR 997—were a major feat for autism research.

Title I of this legislation, among other things, authorized the creation of 3 ''Centers of Excellence'' in autism epidemiology to conduct prevalence and incidence data on autism. In this way, scientists can get a better understanding of the scope of CDC and would specialize in a specific aspect of autism research. In addition, the centers would provide education on the best methods of diagnosis and

treatment of autism to educators and physicians.

In December, we worked hard to win appropriations of $3 million for Fiscal Year 2001 to fund the Centers of Excellence for CDC and begin larger-scale autism prevalence and incidence studies.

CDC expects to issue program announcements and requests for proposals in the early summer of 2001 to implement P.L. 106–310. Grants would be awarded to successfully completed applications to CDC for the ''Centers of Excellence'' sometime in the early fall of 2001.

Another provision in the Children's Health Act directs the Director of the NIH to establish not less than 5 Centers of Excellence to conduct basic and clinical research including developmental neurobiology, genetics and psychopharmacology.

The Members of C.A.R.E. will work to further advance the process of establishing these Centers of Excellence, which will lead to a better understanding of autism and related disorders.

The 106th Congress also significantly boosted total federal funding for autism. We want to take a page out of that playbook and repeat that success this year as well. CDC funding for autism increased from $1.1 million in FY 2000 to $6.7 million in FY 2001. Since FY 1998, when autism finding at CDC was a mere $287,000, funding has increased by a net total of 2,246 precent! That's 23.5 times what CDC spent just four years ago.

At NIH, Congress won increases in funding for autism from $40 million in FY 1999 to $45 million in 2000. Funding for 2001 is also expected to increase. Since FY 1998, autism research has been increased by 66 percent at NIH. Maybe this year we can make yet another installment on our plan to double autism research at NIH.

Finally, at the request of interested Members of Congress and with grass roots support, the House has held two separate hearings on the problem of autism—one by the Commerce Committee and another by the Government Reform and Oversight Committee. Additional hearings are likely if Member interest stays strong. I know Chairman DAN BURTON at the Government Reform and Oversight Committee remains deeply interested in further hearings. And Chairman MIKE BILIRAKIS is another strong supporter of autism research and oversight.

IN SUPPORT OF COMPREHENSIVE INSURANCE COVERAGE OF CHILDHOOD IMMUNIZATIONS ACT OF 2001

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. GREEN of Texas. Mr. Speaker, vaccines have made dramatic improvements in the lives of children and adults in the last century. Scourges such as polio and small pox have been eradicated thanks to advancements in vaccine research.

Childhood vaccinations prevent nine serious infectious diseases. Thanks to immunizations, children no longer have to suffer from the dangers of polio, measles, diptheria, mumps, pertussis (whooping cough), rubella (German measels), tetanus, hepatitis-B, and Hib (the most common cause of meningitis).

Immunizations are not only sound medicine, they're sound public health policy. Over $21 are saved for every dollar spent on the measles/mumps/rubella vaccine. Almost $30 are saved for every dollar spent on diptheria/tetanus/pertussis vaccine.

Unfortunately, many children do not have access to these life-saving vaccines. In fact, one third of two-year-old children are underimmunized, and in some cities and urban areas, more than 50 percent of children are not fully immunized.

Part of the problem is that nearly one in five employer-sponsored health plans do not cover immunizations for infants and children. Nearly one in four children in Preferred Provider Organizations and indemnity plans do not have coverage for immunizations.

The Comprehensive Insurance Coverage of Childhood Immunization Act of 2001 would addresses this problem by requiring ERISA governed health plans to cover vaccines for children under 18 years. Vaccines recommended by the Center for Disease Control and Prevention's (CDC) Recommended Childhood Immunization Schedule must be covered.

The federal government provides this benefit for its own workers, and twenty-four states have enacted laws to require state-regulated plans to cover vaccines. Unfortunately, ERISA plans do not have to comply with state laws. This legislation will ensure that all children, regardless of the type of insurance they have, will receive life-saving vaccines. I hope my colleagues will join me in supporting immunization coverage for all children.

THE WORK FOR REAL WAGES ACT

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, I rise today to introduce legislation that helps correct a portion of the Welfare Reform Law of 1996.

Under the 1996 welfare reform law, states were allowed to enact workfare programs in which welfare recipients are forced to work off their welfare benefit, rather than receive real wages.

The Work for Real Wages Act requires that welfare recipients who perform unpaid work as a condition of receiving welfare benefits be credited with wages for the purposes of calculating the Earned Income Tax Credit (EITC).

It is unfair to require unpaid work, yet credit nothing toward Social Security, unemployment compensation, and other wage-based benefits programs.

My bill credits the hours worked without direct compensation as though minimum wage were paid for the purpose of claiming earned income tax credits.

I urge all Members to cosponsor this legislation.

A TRIBUTE TO THE LATE MR. THOMAS J. DEMPSEY

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. DOOLITTLE. Mr. Speaker, today I wish to remember and honor one of the founders of the community of Mammoth Lakes, in my district in California, Mr. Thomas J. Dempsey. After a lifetime of hard work and dedication, my good friend Tom Dempsey passed away on February 1, 2001. He was 66 years old.

Tom was a very private man who quietly made possible the growth and development of Mammoth Lakes. While most people are unaware of his contributions to the community, he played a vital role in forming what it has become.

From the time he arrived in the early 1950's with dreams of becoming a professional ski racer, Mammoth Lakes was always near and dear to Tom's heart. In 1955, he helped build Chair I at Mammoth Mountain. After working as a carpenter for several summers, in 1961, he constructed his first home in Mammoth. That was but the beginning of great things to come. As the sole owner of Dempsey Construction Corporation, Tom became one of the foremost developers of mountain resorts and planned communities in the western United States. However, despite many successful developments elsewhere, the Snowcreek Resort in Mammoth Lakes has remained the corporation's flagship project.

In a very literal way, the town of Mammoth Lakes is what it is because of Tom Dempsey's vision and sense of civic duty. When he purchased the 355-acre Snowcreek Resort property in 1977, the town was under a building moratorium due to insufficient water supplies. That moratorium was lifted after Tom transferred significant surface and ground water rights from his property to the Mammoth County Water District and permitted the district to drill five major water supply wells.

It was also Tom Dempsey who provided a solution to the town's chronic lack of land for community facilities. In 1980, he completed a complicated land exchange with the U.S. Forest Service that involved 80 acres of government land. Of that land, Tom donated 21 acres for the Mammoth High School site, 20 acres for a future school site in Crowley Lake, and 9.5 acres to the town of Mammoth Lakes. Furthermore, Tom made Snowcreek lands available for a fire station, church, and a water treatment plant.

In addition to these efforts, Tom voluntarily contributed to many other community development projects. These include the landscaping of Main Street, improvements to the Whitmore baseball fields, landscaping and lighting improvements at the Mammoth/June Lake Airport, and restoration of the Mammoth Creek meadow.

While it was his passion for skiing that brought him to the beautiful Eastern Sierra, Tom also enjoyed many other athletic and outdoors endeavors. He was an avid windsurfer, bicyclist, tennis player, and hiker. The same deep love of the environment that drew him to outdoor activities is reflected in all of his development projects.

More importantly than his numerous professional and civic accomplishments, Tom

Dempsey was also a devoted family man. He is survived by his lovely wife, Linda, and his daughter Nikki.

Mr. Speaker, Mammoth Lakes has experienced many great changes over the decades that Tom Demspey lived there. In fact, he seemed to be at the heart of them all. He truly was one of Mammoth Lakes' founding fathers. I join with his family, friends, and community in noting that he will be sorely missed.

May you rest in peace, Tom.

GENETIC NONDISCRIMINATION IN HEALTH INSURANCE AND EMPLOYMENT ACT

HON. LOUISE McINTOSH SLAUGHTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Ms. SLAUGHTER. Mr. Speaker, I am proud to rise to announce the reintroduction of the Genetic Nondiscrimination in Health Insurance and Employment Act.

Yesterday, scientific and scholarly articles were published that explored the implications of the mapping of the human genome. Their conclusions were nothing short of awe-inspiring. The human genome map is going to allow us to explore and better understand not only human health and disease, but the very development of our species. It has tremendous promise to allow us to conquer some of the most feared diseases known to humanity and perhaps to manipulate our very destiny. It is a story of our present, past, and future.

The Romans had a famous saying: Scientia est potentia. Knowledge is power. From scientia we derive the English word science. Like any kind of power, however, the scientific knowledge we are gaining about our genetic composition can be used for both positive and negative ends. If used wisely, it could be a tool for health and healing that shapes the very future of our race. If used foolishly, however, it could become a weapon to undermine individuals' futures, create further divisions among groups of people, and tear at the very fabric of our nation.

Over five years ago, I introduced the first legislation in Congress to ban genetic discrimination in health insurance. Since that time, science has rocketed ahead at a speed no one predicted, even within the genetics community. Social policy, however, has not kept pace. Congress addressed the use of genetic information in passing through the Health Insurance Portability and Accountability Act of 1996, but this law covered only some cases of health insurance discrimination. A comprehensive law is needed to protect Americans against the misuse of their genetic information.

For that reason, I am introducing the Genetic Nondiscrimination in Health Insurance and Employment Act of 2001. I am pleased to be joined by my distinguished colleague, Representative CONSTANCE MORELLA, who represents the National Institutes of Health and has a long record of achievement and advocacy in the health care arena, and 150 bipartisan cosponsors. In the Senate, identical legislation is being introduced by Minority Leader TOM DASCHLE and Senators EDWARD KENNEDY, CHRISTOPHER DODD, and TOM HARKIN, as well as a long list of other distinguished Senators.

The events of the past few days have illustrated the urgent need for this legislation all too well. In addition to the events concerning the mapping of the human genome, we have learned that Burlington Northern Santa Fe Railway performed genetic tests on employees without their knowledge or consent. The tests were conducted with the goal of identifying a predisposition for carpal tunnel syndrome and thereby undermining those employees' claims of job-related injuries. Unfortunately, this was not the first case of such genetic testing and potential discrimination. From the 1960s until 1993, the Lawrence Berkeley National Laboratory secretly tested black employees for sickle cell anemia, until workers filed a lawsuit that resulted in a 1998 decision by the U.S. Ninth Circuit Court of Appeals that this practice was unconstitutional. During the late 1990s, a study conducted by Northwestern National Life Insurance found that, by the year 2000, 15 percent of employers planned to check the genetic status of prospective employees and dependents before making employment offers. Last year, the American Management Association's survey of medical testing in the workplace found that 3% of responding employers admitted they tested employees for breast and/or colon cancer, 1% tested for sickle cell anemia, and a handful tested for Huntington's Disease. Moreover, 18% collected family medical histories, and about 5% stated that they use this information in making decisions about hiring, firing, and reassignment.

This legislation would prevent employers from using predictive genetic information to make employment decisions. It would further prevent employers from requesting or requiring that workers disclose genetic information or take a genetic test. Finally, employers are barred from disclosing genetic information without prior written informed consent.

The Genetic Nondiscrimination in Health Insurance and Employment Act would also address discrimination in health coverage based on genetic information. Too many Americans are deciding not to take a genetic test because they are afraid the information could be used by their insurer to deny them coverage or raise their rates to unaffordable levels. Vital medical decisions like these should be made based on solid science and personal reflection, not the fear of insurance discrimination. This legislation would prohibit insurers from requesting or requiring that an individual disclose genetic information. It would prevent health insurance companies from using this information to deny, cancel, refuse to renew, or change the terms or conditions of coverage. Finally, it would protect the privacy of genetic information by forbidding insurers from disclosing it to outside parties without prior written informed consent.

Simply having a given gene almost never means that a person will definitely develop a condition. Furthermore, every human being has between 5 and 50 genetic mutations that predispose him or her to disease. No one should lose their insurance coverage or their job based on the fact that she might develop cancer or some other disorder in 10, 20, or 30 years.

Genetic science has the potential to transform human health and open entirely new frontiers. We must safeguard the future of this research by ensuring that genetic information cannot be abused. Americans will not continue to support genetic science if they believe the knowledge gained will be used against them.

We can protect the future of genetic research and secure the rights of all Americans by passing the Genetic Nondiscrimination in Health Insurance and Employment Act. I look forward to working with my colleagues to ensure that Congress passes this responsible, comprehensive genetic nondiscrimination and privacy law.

ON PRIME MINISTER CHRÉTIEN'S SPEECH TO THE OAS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. LAFALCE. Mr. Speaker, I want to share with my colleagues the address delivered recently by Canadian Prime Minister Jean Chrétien before a special session of the Permanent Council of the Organization of American States. The speech outlined his vision for the upcoming Third Summit of the Americas in Quebec City, specifically how the nations of the hemisphere can ''move ahead on an agenda of human progress and shared prosperity'' to create ''La Gran Familia of the Americas.'' These ideas are likely to serve as the guideposts for the bilateral and multilateral relationships evolving throughout the Americas, and I urge all of my colleagues to take the time to read the following speech.

ADDRESS TO A SPECIAL SESSION OF THE PERMANENT COUNCIL OF THE ORGANIZATION OF AMERICAN STATES—FEBRUARY 5, 2001

The first address by a Canadian Prime Minister to the Organization of American States is an important milepost in the embrace by Canada of our hemispheric identity.

A path marked by our decision to join the OAS in 1990. By our presence at the first two Summits of the Americas in Miami and Santiago. By my leading two trade missions to Latin America in 1995 and 1998. By our hosting the OAS General Assembly in Windsor last June. By the meetings of hemispheric ministers of finance, environment and labour that will take place in Canada in the coming months. And by the inaugural meeting of the Inter-Parliamentary Forum of the Americas in Ottawa in just a few weeks.

In a couple of months, we will take the most important step on our journey, as we welcome the democratically elected leaders of the Americas to Quebec City for the Third Summit of the Americas.

The steps we have taken on our journey have run in parallel with the growing sense that there is more to the Americas than geography. A sense that we are more than just neighbours and friends. We are ''Una Gran Familia.'' Each a proud individual nation to be sure. Secure in our unique identity and sovereignty. But at a higher level, a family. Who share aspirations and values. Who have embraced democracy, free markets and social justice. Who have taken enhancing the quality of life of all of our people as our common cause.

Recently I have spoken to many of your leaders about how we can move ahead on an agenda of human progress and shared prosperity. I will talk to President Bush about it later today. For those listening in Washington and beyond, I would like to outline how Canada sees our agenda unfolding for the Quebec City summit.

Let me begin by acknowledging the serious problems and challenges that stand between us and our goal. But I have unshakeable confidence in our collective resolve to meet

them head on. That is, after all, what brought us together in Miami and Santiago, and will sustain us as we move ahead.

The gap between our rich and poor remains too large. And in the new economy, we face the added challenge of preventing a digital divide. Our emerging democracies lack strong institutions. Our social policies have room for improvement.

Many look upon the powerful forces of economic globalization and technological change as the source of these profound problems. But Canada looks upon them as the key to solving them. To creating untold opportunities and shared prosperity from Tierra Del Fuego to Baffin Island.

We should neither fear the challenge of globalization, nor become blinded by its allure. Rather, we must develop the tools so that all of La Gran Familia can reap its full potential. We must, in short, adopt an agenda that puts people first. That recognizes that our citizens can reach their full potential only when their safety is guaranteed, their rights are respected and their access to economic and social opportunities is assured.

In Quebec City, we will do just that. We have taken as our themes three complementary areas: strengthening democracy, creating prosperity and realizing human potential. And we want to harness the information highway to support this agenda. To foster ''connectivity'' throughout La Gran Familia.

Democracy and the effective rule of law are the guardians of human security. But such security is unlikely to be sustained in conditions of poverty and unequal opportunity. Realizing human potential through effective social policies is the guarantee that will allow democracy and prosperity to flourish.

Democracy has clearly been on the rise in the Americas over the past decade. But its progress has been neither constant nor equal. And in many countries it remains fragile. Canada wishes to see a clear and forceful commitment to strengthening democracy and fostering social inclusion in Quebec City. Which extends to our democratic institutions, our electoral machinery, and the impartiality of justice. To protecting human rights and freedom of expression. To fighting drug trafficking and corruption.

It will mean empowering local governments and safeguarding the rights of minorities, indigenous peoples, migrants and the disabled. And making the strongest possible pledge to promoting the legal, economic and social equality of women and men.

In Santiago, we formally launched negotiations on the Free Trade Area of the Americas. And we challenged ourselves to achieve it by 2005.

The goal of achieving an FTAA by 2005 is one to which Canada is deeply committed—by temperament and history. We understand the connection between freer trade, prosperity and social progress. And we see an FTAA—with increased transparency and clearer rules—as the best way of forging that same connection throughout the hemisphere. For big nations and for small.

By the same token, we understand that it cannot be about trade alone. It is not just a contract among corporations and governments. First and foremost, it is an agreement among—and about—people. It must be holistic in nature. It must include improving the efficiency of financial markets, protecting labour rights and the environment, and having better development cooperation. It must include engaging the private sector, international financial institutions and civil society in a dialogue directed at encouraging greater corporate social responsibility.

These are the sorts of challenges we will be addressing in Quebec.

Canada also believes that progress in strengthening democratic institutions and increasing prosperity in the new economy must go hand in hand with actions to enhance social and economic inclusion. That will increase access to education and skills development. Promote life-long learning. And broaden access to quality health care and effective disease-prevention programs.

And we must achieve this in a way that respects the value of the diverse ethnic, cultural, linguistic and religious strands that, woven together, make up the fabric of La Gran Familia.

Canada is also very much focused on bridging the digital divide in the Americas. As the information revolution continues, governments have a pivotal role to play in determining how these new technologies evolve. And in ensuring that their ability to bridge vast distances, expand access to knowledge and increase economic productivity is shared equitably.

In Canada we have taken great strides in this area by forming creative partnerships that have allowed us to connect all of our public schools and communities at relatively low cost.

In many ways, our meeting in Quebec City will be about coming to terms with an increasingly engaged civil society and its concerns over the powerful forces that are shaping our modem world.

Canada believes that openness and transparency are vital to building public acceptance and legitimacy for our undertakings. In preparing for the Summit, Canada has engaged civil society organizations at the national level. We have also promoted regional consultations with committed and serious organizations, including meetings here at the OAS, and establishing web-sites for the sharing of information.

Canada worked hard to make the OAS General Assembly in Windsor a more open event, allowing our citizens to see an historic discussion on the nature of democracy and its status among our membership. We must commit ourselves to working with patience, persistence and reason to build a hemispheric future full of promise. A future that takes account of the concerns expressed by our peoples and the impact that the new forces at work in the global economy are having on our citizens. As host of the first Summit of the Americas in the new millennium, Canada will do its utmost to promote openness and transparency, while ensuring productive discourse among governments.

I wish to conclude today on a note of strong support for the OAS. We can all be proud of its accomplishments. The leadership of Secretary General Gaviria has been inspired and responsive to the wishes of our membership.

The past year has illustrated the relevance of the OAS. From helping to shore up democracy to resolving complicated border disputes. From ensuring electoral fairness to promoting technical cooperation.

More than any other single institution, the OAS will be charged with acting upon the mandates we endorse at Quebec City. To do this it will require a tangible expression of our political will and a commitment to its fiscal health. Our foreign ministers should actively address this issue at this year's OAS General Assembly in Costa Rica.

My friends, working with you to make our vision of La Gran Familia of the Americas a reality is a cornerstone of Canadian foreign policy. For many years, the Maple Leaf flag did not hang in this historic room. Canadians felt that our national journey was taking a different path than that of the Americas. Those days are gone . . . forever.

Let us now journey together into the new millennium. With shared conviction, strength and purpose.

Obrigado.

Muchas gracias y hasta pronto en Quebec.

HONORING JOHN BURNS

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Ms. LOFGREN. Mr. Speaker, I rise to recognize the achievements of John Burns, the Executive Director of the Housing Authority of Santa Clara County. I would like to recognize Mr. Burns' extraordinary and tireless service to the people of Santa Clara County and thank him for his 32 years as the Housing Authority's Executive Director.

John Burns started as the Santa Clara County Housing Authority's first employee in 1968; the Agency now employs a staff of 275. The Housing Authority currently assists over 13,000 families, seniors and disabled in the Section 8 Program and over 2,000 seniors and disabled in the Property Management Program. In addition, the Agency manages 50 duplexes at the Arturo Ochoa Migrant Housing Center in Gilroy, California, which houses 100 families during the harvest season. In the winter months, the center is used for housing homeless families.

Under John Burns' dedicated leadership, the Housing Authority diversified its many services to the community to include leasing of housing on the open market, new housing construction, and the management of housing for low income families, disabled and the elderly. The Housing Authority also ensures, through sales of bonds, that new construction in the area includes affordable rental units. The successful effort to pass Measure A in the November 1999 election allowed the Housing Authority greater opportunities to provide affordable housing in areas where it is needed and where the agency had previously not been able to build.

Among Housing Authorities, the Santa Clara County Housing Authority has one of the highest profiles in the country and is considered a leader when it comes to creating innovative, affordable housing.

A leader in the field as well as in the community, Mr. Burns has served on the Board of Directors for the National Leased Housing Association as well as the Affordable Housing Tax Credit Coalition. He is a member and former President of the Northern California Chapter of the National Association of Housing and Redevelopment Agencies, and a member and former President of the Executive Directors Association of Northern California and Nevada.

John Burns was once quoted in a news article that ''I would rather achieve public visibility through results of our programs . . . not public relations.'' This ''low profile leader'' is one of the most respected Housing Authority Directors in the County, a visionary public servant, and a valued friend.

DOUBLING THE BUDGET OF THE NATIONAL EYE INSTITUTE

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, I rise to introduce a bill that would double the budget of the National Eye Institute (NEI) within three years.

Blinding eye and vision disorders pose a tremendous challenge to our health care system. The numbers are staggering. By the year 2030, 66 million Americans will be at risk for blinding-eye disorders. Cataracts affects 29 percent of Americans between the ages of 65–74. Glaucoma, the leading cause of blindness in African Americans, affects three million Americans. Age-related macular degeneration (AMD), a disease which alters central vision, affects an estimated 1.7 million Americans.

Since its establishment in 1968, NEI has conducted and supported research that helps prevent and treat eye diseases. A few of its research achievements include: New medical therapies to treat glaucoma; introducing drugs to treat uveitis, a potentially blinding inflammation of the inside of the eye; and contributing to the development of medical lasers to treat patients with glaucoma, AMD, and other eye disorders.

The National Eye Institute has many exciting research projects on the horizon. They cannot complete those projects without adequate funding. In FY 2000, NEI's funding was $452,706,000. This year, NEI is funded at $510,611,000. By FY 2004, we should commit $791,714,000 to the NEI budget.

We have an obligation to make our commitment to eye and vision research at the NEI as strong as our commitment to the biomedical research at the National Institutes of Health.

I urge my colleagues to support increasing the research efforts at the National Eye Institute by cosponsoring this legislation.

CARR, O'KEEFE, KAHLO: PLACES OF THEIR OWN

HON. TOM UDALL

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. UDALL of New Mexico. Mr. Speaker, I am pleased to rise and announce that an exhibition entitled ''Carr, O'Keefe, Kahlo: Places of Their Own'' has been organized by Dr. Sharyn Udall of my home town, Santa Fe, New Mexico. Each artist in this exhibition represents one of the three great countries of North America: Canada, the United States and Mexico.

This exhibition, therefore, celebrates the cultural bond of the North American continent which transcends national borders. We may well find that this cultural bond will also prove to be a benefit to our mutual economic interests.

In the Congress, we often talk about the need for opening our borders for trade, commerce, importation and exportation. Rarely do we reflect on the need for the international exchange of art. This exhibition gives us an opportunity to do so.

This exhibition also celebrates the contribution of women to the arts. Each of the three artists, Emily Carr of Canada, Georgia O'Keefe of the United States, and Frida Kahlo of Mexico, became one of her country's preeminent twentieth century painters. Each is recognized as a legend. Viewed together, their work takes us beyond all borders and the only passport needed is the eyes and the heart.

''Carr, O'Keefe, Kahlo: Places of Their Own'' can be seen in Toronto, Canada, Santa Fe, New Mexico, Mexico City, Mexico and, a year from now, at the National Museum of Women in the Arts in Washington DC. It is a tribute to these artists and to the spirit of cultural cooperation in North America.

RECOGNIZING JOHN CUSEY

HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. GARY MILLER of California. Mr. Speaker, I rise to bid farewell to my Legislative Director, John Cusey.

I first met John in March of 1996. Immediately, I was struck by his keen sense of political intuitiveness. Although he had only worked on a few local campaigns, I could tell that his future in government would be bright.

As an employee, John has excelled in many areas. As a result, he rose quickly through the ranks of legislative positions, and for the next week, he will continue to serve as my Legislative Director. John has staffed numerous bills in the California State Legislature and here in Congress. His assistance in the area of unsolicited e-mail, commonly known as Spam, has been crucial, and led to the passage of California's first law to protect e-mail users.

John has also served as my Spokesman and Communications Director. His outstanding communication skills were especially important during my bid for U.S. Congress. On every occasion, he greeted challenging questions with honesty and tact.

Over the last five years, I have come to consider John's family as my friends. His wife, Becky, has tolerated the long hours that legislative and campaign work often entail. Moreover, I have seen John grow as a father, welcoming two healthy, beautiful children, Ethan and Ava, into his life.

Next week, John will be leaving my office to become the Director of the House Pro-Life Caucus. While I wish him the best of luck in this new endeavor, it is with much sadness. John's absence will create both a professional and personal void in my office.

Mr. Speaker, I ask this 107th Congress to join me in recognizing and thanking John Cusey for his hard work and dedication to serving the constituents of California's 41st District and wishing him the best of luck as the Director of the House Pro-Life Caucus.

PRESIDENTIAL LIBRARY DONOR IDENTITY DISCLOSURE

HON. JOHN J. DUNCAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. DUNCAN. Mr. Speaker, today, I introduced legislation that would require organizers of presidential libraries to disclose the identity of donors and the amounts they give.

I introduced this legislation in the 106th Congress as well because I felt the public should be made aware of possible conflicts of interest that sitting presidents can have while raising funds for their libraries.

Mr. Speaker, we do not know who these donors are or what interests they may have on any pending policy decisions that are to be made. I think that our government needs to operate in the open—not behind closed doors.

Recent news reports surrounding the pardon of billionaire fugitive Marc Rich have brought to light additional justification for this legislation. The Washington Post recently reported that Denise Rich, the former wife of financier Marc Rich, lobbied President Clinton to pardon her former husband by donating $450,000 to Clinton's presidential library fund starting in 1998.

The Post also reported that, ''Clinton foundation attorney David Kendall said he would fight a subpoena for the library donor list.'' Mr. Speaker, I cannot think of one good reason why the organizers of any future presidential libraries would not be willing to release this information to the public. Even Richard Cohen, the very liberal columnist for the Washington Post said, ''But surely it would be anything from interesting to illustrative to just plain damning to see what names are on that list and for what amounts.''

Our citizens have the right to know the details of these fundraising activities. The bill I have introduced will ensure this happens. Mr. Speaker, I urge my colleagues to support this important legislation.

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. LANTOS. Mr. Speaker, one of the most important foreign policy and defense issues the 107th Congress will consider is National Missile Defense. Our nation is indeed vulnerable to ballistic missile attack, and it is imperative that we take steps to protect ourselves from this threat.

As we address this threat, however, it is critical that we adopt a cautious and comprehensive approach. In an article in today's Washington Post, our former National Security Advisor, the Honorable Samuel R. Berger, makes a compelling case for such an approach. As he asserts, we must be careful not to overlook the danger of attack by less conventional means, such as a terrorist strike or a weapon of mass destruction smuggled across our borders. We must also be careful not to undermine our defensive alliances, such as NATO, or needlessly provoke a new arms race with our former Cold War adversaries. As we move forward on these important issues, Mr. Speaker, it is critical that we not allow ourselves as a nation to be lulled into a false sense of security or let our guard down in other areas of our national defense.

Mr. Speaker, I submit the entire text of the insightful article by Mr. Berger entitled ''Is This Shield Necessary?'' be placed in the CONGRESSIONAL RECORD. I urge my colleagues to review this article and to join me in engaging

all aspects of the National Missile Defense debate in the coming months to ensure that whatever course we choose truly strengthen our national security and advance our national interests.

IS THIS SHIELD NECESSARY?

[From the Washington Post, Feb. 13, 2001]

(Samuel R. Berger)

In the first weeks of the Bush administration, national missile defense has risen to the top of the national security agenda. Having wrestled with this issue over the last years of the Clinton administration, I believe it would be a mistake to proceed pell-mell with missile defense deployment as though all legitimate questions about the system had been answered. They have not.

While the United States maintains strength unmatched in the world, the vulnerability of the American people to attack here at home by weapons of mass destruction is greater than ever. Dealing with our vulnerability to chemical, biological and nuclear weapons requires an ambitious, robust, comprehensive strategy.

But 20 years and tens of billions of dollars later, national missile defense is still a question-ridden response to the least likely of the threats posed by these weapons: a long-range ballistic missile launched by an outlaw nation.

President Clinton last year decided to continue research and development of national missile defense, but deferred a decision on deployment. In part, this was based on a judgment that we do not yet know whether it will work reliably. The Bush administration should reject arbitrary deadlines and, as part of Secretary Rumsfeld's laudable defense review, take a fresh look at the overall threat we face.

Without question we need to broaden America's defenses against weapons of mass destruction. But plunging ahead with missile defense deployment before critical questions are answered is looking through the telescope from the wrong end: from the perspective of bureaucratically driven technology rather than that of the greatest vulnerabilities of the American people.

President Reagan's global shield (SDI) has evolved into a more limited system aimed at defeating long-range missiles launched not by a major nuclear rival but by an irrational leader of a hostile nation, particularly North Korea, Iraq or Iran. Its premise is that an aggressive tyrant such as Saddam Hussein is less likely to be deterred than were the leaders of the Soviet Union by the prospect that an attack on us or our friends would provoke devastating retaliation.

It is further suggested that lack of a defense could intimidate U.S. leadership: We might have hesitated to liberate Kuwait if we knew Saddam could have delivered a chemical, biological or nuclear weapon to the United States with a long-range ballistic missile.

But why do we believe Saddam or his malevolent counterparts would be less susceptible to deterrence than Stalin or his successors? Indeed, dictators such as Saddam tend to stay in power so long because of their obsession with self-protection. And is it likely we would not use every means at our disposal to respond to a vital threat to our economic lifeline, even if it meant preemptively taking out any long-range missiles the other side might have?

The fact is that a far greater threat to the American people is the delivery of weapons of mass destruction by means far less sophisticated than an ICBM: a ship, plane or suitcase. The tragedies of the USS Cole and sarin gas in the Tokyo subway show that lethal power does not need to ride on a long-range missile.

We know that we increasingly are the target of a widespread network of anti-American terrorists. We know they are seeking to obtain weapons of mass destruction. If deterrence arguably doesn't work against hostile nations, it is even less so for fanatical terrorists with no clear home address.

The real issue is what is the most cost-effective way to spend an additional 100 billion or more defense dollars to protect this country from the greatest WMD threats. In that broader context, is national missile defense our first priority?

Is it wiser to continue research and development and explore alternative technologies while we invest in substantially intensifying the broad-scale, long-term effort against terrorist enemies? (Such an effort would include increased intelligence resources, heightened border security, even training of local police and public health officials to recognize a deadly biological agent.)

The ultimate question is whether Americans will be more secure with or without a national missile defense. The answer is not self-evident. We can't build the system that is farthest along in development—a land-based one—without cooperation from our allies.

Their misgivings derive in significant part from the prospect of abrogating the Anti-Ballistic Missile Treaty with Russia; that could unravel the global arms control and nonproliferation system.

It has been suggested that we could address Europeans' concerns by including them in our missile defense system or helping them build their own. But such an amalgamation would be more capable against Russia and thus more likely to stiffen its resistance to change in the ABM; it could also increase the chance Russia would respond in ways that would reduce strategic stability—for example by retaining multiple-warhead ICBMs it has agreed to eliminate.

Of course no other country can ever have a veto over decisions we must take to protect our national security. But in making that judgment, we must understand that the basic logic of the ABM has not been repealed—that if either side has a defensive system the other believes can neutralize its offensive capabilities, mutual deterrence is undermined and the world is a less safe place.

Then there is China. It is suggested that we can work this out with China by at least implicitly giving it a ''green light'' to build up its ICBM arsenal to levels that would not be threatened by our national missile defense.

This strategy fails to take into account the dynamic it could unleash in Asia: Would China's missile buildup stimulate advocates of nuclear weapons in Japan? How would India view this ''separate peace'' between the United States and China? What effect would that have on Pakistan and the Koreas?

Will we be more secure as Americans with a missile defense system or less secure? It is not a question that answers itself. But it is a question that requires answers.

JERUSALEM EMBASSY RELOCATION ACT OF 1995

HON. THOMAS G. TANCREDO

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. TANCREDO. Mr. Speaker, today I introduced a resolution expressing the sense of Congress with respect to relocating the United States Embassy in Israel to Jerusalem. In 1995, Congress passed the Jerusalem Embassy Relocation Act of 1995, which states that as recognition of an undivided Israel, the U.S. Embassy should be moved to Jerusalem no later than May 31, 1999. The bill, which President Clinton signed, also contains waiver authority that the president may exercise if he feels the embassy move should be delayed for national security reasons. Each year since the bill was passed, the President has issued a national security waiver, and the Embassy has still not been moved.

The recognition of Jerusalem as Israel's capital enjoys the broad support of the American public. Further, it would be consistent with the United States' practice of accepting the host nation's decision as to where its capital is, and where the U.S. Embassy is located. Currently, Israel is the only nation in which the U.S. Embassy is not located in a city recognized internationally as the capital.

In short, moving the Embassy to Jerusalem is consistent with U.S. policy, and does not infringe on the remaining issues of conflict over East Jerusalem. I call my colleagues to support this resolution and I am hopeful that the House International Relations Committee will consider it in the coming weeks. Finally Mr. Speaker, I submit for the RECORD the following essay, written by one of my constituents, which makes the case for an embassy move most eloquently:

RELOCATION OF THE AMERICAN EMBASSY TO JERUSALEM: A PROPOSITION WHOSE TIME HAS COME

(By Cheston David Mizel)

ENGLEWOOD, CO.—On May 22, 2000 President George W. Bush, speaking in front of the American Israel Public Affairs Committee, promised that he would begin to move the U.S. Ambassador from Tel Aviv to Jerusalem as soon as he was inaugurated. Now that he has been elected and the inauguration has passed, the time to move the U.S. Embassy has come. Moving the embassy, at this time, is not only morally and politically apropos, but would augment vital American interests by sending a clear and unequivocal message, to the region, reaffirming the vitality of the American-Israeli relationship.

DOMESTIC POLITICAL IMPLICATIONS

The recognition of Jerusalem as the capital of Israel and relocation of the U.S. Embassy would immediately and significantly bolster the President's standing with key constituencies on both sides of the aisle. Not only would it clearly demonstrate his determination to fulfill his campaign promises, but it would garner enormous favor among Jewish voters who have felt disenfranchised by the recent presidential election. The prompt relocation of the embassy would further the President's goal of uniting

MORAL IMPLICATIONS

An immediate relocation of the American Embassy is a morally appropriate decision. Israel is the only true western style democracy in a region dominated by ruthless dictatorships. Israel and the United States enjoy a relationship that is unparalleled in the region. Israel is clearly the most loyal pro-American state in the Middle East. Moreover, since biblical times, Jerusalem has always been considered the capital of the people of Israel, whether residing in their land

or in exile. The modern State of Israel is no exception. Jerusalem is the seat of Israel's government: the site of parliament and its Supreme Court. Despite Palestinian claims to the contrary, Jerusalem has never been the capital of any other nation during the more than 3,000 years of its existence. The official recognition of this reality by Israel's closest ally is long overdue. It is not appropriate for the United States to choose the location of the capital of any nation nor is it the practice of the United States to do so anywhere else in the world.

SECURITY IMPLICATIONS

In 1995, The United States Congress passed the Jerusalem Embassy Relocation Act requiring the embassy to be moved to Jerusalem. This act was passed in the senate by a vote of 93 to 5 and the House of Representatives by a vote of 347 to 37. Since that time, President Clinton refused to move the embassy, using the excuse that it would harm America's National Security. Nevertheless, it must be noted that Americans vital security interests in the region are closely tied to the security of Israel and its Capital. These interests would be strengthened, not weakened, as a result of an embassy move. In stark contrast to the paternalistic approach of the Clinton Administration, George W. Bush, in December of 1999, speaking before the Republican Jewish Coalition, acknowledged that ''A lasting peace will not happen if our government tries to make Israel conform to our vision of national security.''

In Navigating Through Turbulence: America and The Middle East in A New Century, The Washington Institute for Near East Policy's Presidential Study Group concluded that ''[t]he top Middle East priority for the new President is to prevent a descent into regional war.'' The Report cites multiple scenarios for the current situation deteriorating into a wide scale conflict. While the scenarios differ in regard to course of events, they are all connected to the same general instability in the region, which has been greatly contributed to by the United States' failure to demonstrate the strength of its allegiance to Israel. Indeed, the Presidential Study Group's initial recommendation in averting a war is that:

The United States needs to ensure that Middle Easterners have no doubt about the strength, vitality and durability of the U.S.-Israeli strategic partnership, about America's willingness to strengthen Israel's deterrent, and about the U.S. commitment to provide political, diplomatic and material support to Israel. These objectives can be achieved through presidential statements, meetings with senior Israeli officials and acts that signal U.S. resolve and support.

The rationale behind the Report's suggestion is that such a course would silence those extreme Anti-Israel elements which view Israel's willingness to compromise as a sign of weakness; and America's ''evenhandedness'' as evidence that Israel can be defeated while America stays uninvolved to preserve its ''evenhanded'' diplomatic role. The Presidential Study Group concludes, however, that a showing of stronger American commitment to Israel would actually ''strengthen the U.S. role as mediator in negotiations, which flows from—and is not antithetical to—the U.S. role as Israel's ally.'' Where equivocal support has served to embolden Israel's enemies, a showing of strength and absolute support for Israel will command respect and force a recognition that Israel cannot be defeated and that compromise is the only viable Arab option.

In light of the Clinton plan for Jerusalem, which President Clinton himself acknowledged would not bind the Bush administration, Israel's position on Jerusalem has been significantly weakened and is in much need of rehabilitation. The Clinton proposal, which calls for division of Jerusalem's Old City, and transfer the Temple Mount to Palestinian control, is opposed by the majority of the Israeli people and has been ruled completely unacceptable by Israel's Chief Rabbinate. It should be noted that other elements of the Clinton proposal, such as transfer of the Jordan Valley, have drawn severe criticism from members of the Israeli security establishment as posing a severe danger to Israeli security and regional stability. What is worse is that the Clinton proposal has given the Palestinians an unrealistic expectation that they will receive even more than what has already been offered.

Moreover, this unrealistic expectation is exacerbated by the perception, in the Arab world, that the Bush administration will be even more sympathetic to Palestinian positions. This misconception could lead to dangerous miscalculations, with potentially dangerous consequences, and should be remedied.

So long as America encourages Israel to engage in a policy of appeasement, there can never be long-term stability in the Middle East. Each Israeli concession merely increases the appetite of its enemies. This process will inevitably lead to a scenario where Israel is unable to give any further and its foes will respond with escalated violence. In a world of Weapons of Mass Destruction proliferation, America can not afford to re-learn the lessons of World War II concerning appeasement of hostile regimes.

U.S. Recognition of Jerusalem as Israel's capital and immediate movement of the American Embassy to the western part of the city, will force the Palestinians to revise their expectations. Nevertheless, it will still leave room for a Palestinian presence in the Eastern part of the city, if an agreement can be reached which is not opposed by the Israeli people and does not jeopardize Israel's security or national interests.

This policy is entirely consistent with President Bush's statement that ''[his] support for Israel is not conditional on the outcome of the peace process. * * * And Israel's adversaries should know that in [his] administration, the special relationship will continue even if they cannot bring themselves to make true peace with the Jewish State.''

TIMING CONSIDERATIONS

With negotiations deadlocked and a new administration taking root in Washington, the appropriate time to officially recognize Jerusalem and move the U.S. Embassy has come. The fragility of the Oslo process is no longer a deterrent to such a move in that many of the remaining issues have revealed themselves to be intractable.

Opponents of the immediate recognition of Jerusalem as the capital of Israel and the relocation of the American Embassy generally argue that the appropriate time for the move would be within the context of a final status agreement. While this thinking may have been tenable before the outbreak of the current violence, when peace seemed an imminent possibility, it has little credibility in the current situation.

Initially, this argument relies on the premise that there will be an agreement in the near future. Given the fact that the Palestinians are unwilling to compromise on key issues, shamelessly fabricate blood-libels before the international community, and continue to inculcate anti-Israel sentiment in the media and schools, a final settlement could be generations away. Moreover, leaders throughout the Arab world have made very clear statements that there never will be peace without full Israeli recognition of the Palestinian ''Right of Return.'' (The ''right'' for the four million descendants of Arabs, who fled Israel in 1948 to make way for advancing Arab armies, to resettle within Israel proper, despite the creation of a neighboring Palestinian homeland.) Given the fact that such a recognition would mean demographic suicide for Israel, as a Jewish state, the perpetual call for Israel to accede to such a recognition, is little more than a politically correct euphemism for the old refrain of ''Death to Israel.''

In the current environment, any further delay in recognizing Jerusalem as Israel's capital and moving the embassy would simply reward Arafat for his intransigence. If the U.S. allows Arafat to set the American timetable and agenda, America's esteem is greatly diminished and its strategic interests are harmed.

Secondly, many argue that the relocation should only occur upon reaching a final agreement in order to avoid offending Arab sentiment. It is true that the Palestinians and neighboring Arab states will likely respond negatively. Such is the natural consequence of having faulty expectations shattered. Given the fact that the far-reaching concessions asked of Israel, in the Clinton proposal, were viewed by the Arab world as decidedly pro-Israel, any action which the United States takes in furtherance of its strategic relationship with Israel will always be condemned by the Arab world. They simply have not accepted Israel's right to exist. Moving the embassy will demonstrate the U.S. determination to support Israel's existence in the face of regional hostility. Failure to relocate the embassy only perpetuates unachievable expectations that make violent conflict all the more likely.

The Presidential Study Group recently concluded that America's ties with Arab states should not be dependent on avoiding pro-Israel positions, but rather;

America is the country with which the large majority of regional states will still wish to have close political, economic, and military ties. Maintaining a strong alliance with Israel has not stopped Arab Gulf states from welcoming the United States as their defender against potential subregional hegemons. Similarly, it has not prevented every state on Israel's border, except Syria, from accepting America as a major, if not the principal source of military aid and material. Indeed, the very closeness and solidity of U.S.-Arab ties is a reason why some Arab leaders and spokespersons can afford to use license in their rhetoric.

Finally, many of those who argue that a relocation of the embassy should not occur at this time subscribe to the notion that America should use its political capital with Israel to nurture Israel's willingness to engage in further negotiations and concessions. Not only does this directly contradict the approach suggested by the Presidential Study Group, but it also directly opposes President Bush's own statements that his support would not be conditional on the peace process.

CONCLUSION

We are at a critical time of transition for America, Israel, and the entire region. The Middle East, and perhaps the entire world, may be confronted with a situation with devastating potential. President Bush is just beginning his administration. He possesses the opportunity to make an eventful decision that will not only contribute to the advancement of his political agenda but will reinforce vital American interests in the region by contributing to stability through the promotion of more realistic Arab expectations.

The relocation of the embassy enjoys strong bi-partisan support. It will contribute

to the unifying culture being promoted by the administration. It will finally bring the United States into compliance with its own law and fulfill the weighty moral obligations imposed by the sacred principles of democracy and freedom to our faithful ally which has been ignored for too long.

PROVIDING MEDICARE COVERAGE FOR FILIPINO WORLD WAR II VETS

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. MINK of Hawaii. Mr. Speaker, I rise to introduce a bill that would allow Filipino WWII Veterans to enroll in Medicare even if they do not meet the eligibility requirements.

The time is long overdue that we provide justice to the Filipino Veterans who fought side by side with the United States Army during World War II.

On July 26, 1941, the Philippine military was called on to join forces with the United States under an Executive Order by President Roosevelt. Their efforts were instrumental in the United States' successful final assault in the Pacific.

Despite their outstanding contributions, in 1946 Congress enacted the Rescission Act, which stripped members of the Philippine Commonwealth Army of being recognized as veterans of the United States. As a result, they were excluded from receiving full veterans benefits.

Last Congress, we provided disabled Filipino veterans living in the United States with the same payments for service-related disability compensation as other veterans receive.

Let's go one step further this year.

Under my bill, qualified WWII Filipino Veterans living in the United States would be entitled to Medicare Part A benefits and the option to enroll in Part B.

It is time to recognize the service of our friends and neighbors who fought so valiantly for freedom and democracy.

SECOND AMT BILL INTRODUCED

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. NEAL of Massachusetts. Mr. Speaker, a week ago I introduced legislation to allow nonrefundable personal credits, like the child credit and education credits, to be used against the alternative minimum tax. I have introduced this legislation in the past two Congresses, and it has been enacted into law twice on a temporary basis.

The legislation I introduce today corrects an additional critical problem with the AMT. In this case, the mere fact that a family has a large number of children forces them to become alternative minimum tax taxpayers, and they lose some of the benefit of their personal exemptions.

For example, my office has been in touch with a family in North Carolina for over a year. This military family has ten children, are home schoolers, and began to pay the alternative minimum tax in 1998. An extension of the temporary law regarding nonrefundable personal credits will not help this family, and neither will President Bush's tax proposal help them out of the AMT or give them a rate reduction. While it may be true that this family will be ''no worse off'' than they are now, they will not be any better off either in terms of their current situation. I do not believe relief for this family from the alternative minimum tax should wait until it is more convenient, or until after this year is over.

Mr. Speaker, I think all the members of this body would agree that this family is not the type of family we meant to pay the minimum tax. They do not have large tax preferences with which they are sheltering income. Yet they are paying the minimum tax. Mr. Speaker, I hope all members will not just agree that we should provide families like this one relief, I hope they will act to provide that relief on the first tax bill on which Congress works.

INTRODUCTION OF FY2001 DEFENSE SUPPLEMENTAL APPROPRIATION

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. DICKS. Mr. Speaker, I rise today to introduce an emergency supplemental appropriations bill for the Department of Defense and to ask my colleagues here in the House to pass it expeditiously.

This legislation will provide $6.7 billion in emergency funding for critical readiness needs of the armed forces, and it will cover the cost of shortfalls in the Defense Health Program as identified by the Chiefs of the Army, Navy, Marine Corps, and Air Force.

This amount is only what is required to cover unexpected cost increases for the most basic needs of our service members through the end of this fiscal year. This is an appropriate and an expected response to the kinds of unavoidable expenses—fuel, power increases, housing and other operations costs—that were not provided for in the regular appropriations bill for the Department of Defense. This is a routine and prudent exercise, Mr. Speaker, we must act expeditiously in order to avoid the cuts in each of the services that would be triggered soon—with nearly half the fiscal year over—if we were not to pass this bill.

There are many causes for this action that is now required. The basic cost of living for our armed forces is substantially higher than DOD's projections from last year. Congress approved the FY 2001 Defense Appropriations bill more than six months ago, and the budget Congress approved had been assembled well over a year ago. In the interim, energy costs have skyrocketed, housing costs have increased substantially because we've been making a conscious effort to improve the living conditions for our military personnel and their families. And Congress and President Bill Clinton have committed the nation to provide higher pay and a more complete

Let me also address the issue of why it is neither necessary nor prudent to wait until the new Defense Secretary completes his Strategic Review. It is clear to me that none of these costs will be affected in the slightest way by a strategic review of Pentagon systems. In most cases, these bills have already been incurred, and the money is already spent. The need for a supplemental appropriations bill to cover these costs is simply indisputable.

I believe that the current resistance to such a bill by the Bush Administration has more to do with the size and timing of tax cuts than it has to do with military strategy. Not paying these bills now forces the Department of Defense to reduce and delay training and maintenance. And it thus affects the readiness of our armed forces. It is simply too high a price to pay for the questionable goal of quick and massive tax cuts. I can understand why the political strategists may want to conduct a debate over large tax cuts without the annoyance of mentioning the costs of necessary budget increases for the Defense Department. I just do not believe it is responsible to do so, and I am therefore asking my colleagues from both sides of the aisle to approve this urgent supplemental defense spending bill as soon as possible.

Of the $6.7 billion in this bill, a total of one billion dollars will go toward pay and housing allowances; $4.3 billion will be for operations and maintenance costs such as training, force protection, aircraft and ship maintenance, base operations, and fuel cost increases. One billion dollars will be allocated for unanticipated health care costs; $270 million to procure spare parts and force protection equipment, and $110 million will be provided to offset the impact of energy price increases on military family housing.

I am proud to join with my original cosponsors, Representatives IKE SKELTON, NORM SISISKY, MARTIN FROST, CHET EDWARDS and ELLEN TAUSCHER in introducing this bill. I hope that the Appropriations Committee will move quickly to review and pass this bill. And I hope that President Bush will agree to sign it.

TRIBUTE TO THE VICTIMS OF THE ORANGEBURG MASSACRE

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to the men and women who were victimized in the little known civil rights battle which has become known as the Orangeburg Massacre. And to thank South Carolina's Governor Jim Hodges for the remarks he made during last week's thirty-third anniversary of this catastrophic event which took place on February 8, 1968. The Governor's remarks are inserted below.

The Orangeburn Massacre's place in history has been overlooked, and is considered one of the most violent such events in South Carolina's struggle for civil rights. While many people believe the Kent State shootings were the first such event in our nation's history, the Kent State event occurred two years after the unrest at my alma mater, S.C. State. Henry Smith, 20, Samuel Hammond, 19, and Delano Middleton, 17, lost their lives during the bloody clash. Another twenty-seven people were also

injured by the bullets from state law enforcement officers on that ill-fated evening.

Some three hundred students gathered on the campus of South Carolina State after three days of sit-ins and protests at All-Star Bowling Lane. The students were continuing their demonstration against the segregation of Orangeburg's only bowling alley. Four years after passage of the Civil Rights Act of 1964, the establishment remained segregated, despite numerous efforts to persuade the owners to integrate.

Mr. Speaker, I ask you to join me today in honoring Henry Smith, Samuel Hammond and Delano Middleton, the twenty seven students who survived their wounds. Governor James Hovis Hodges along with the hundreds of other students, teachers, administrators and parents who helped and are still helping to bring equality to this nation.

REMARKS OF GOVERNOR JIM HODGES—SOUTH CAROLINA STATE UNIVERSITY, ORANGEBURG, THURSDAY, FEBRUARY 8, 2001

I am truly honored and humbled to be here with you today.

Nearly 170 years ago, when our country was still newly-formed a Frenchman named Alexis de Tocqueville came to our shores to explore this fledgling experiment in democracy. He recorded his thoughts in a landmark treatise called Democracy in America. He told his readers that he ''sought the image of democracy itself, with its inclinations, its character, its prejudices, and its passions, in order to learn what we have to fear or hope from its progress.''

Had Tocqueville visited America in 1968, he would have seen our fears and not our hopes. We were a country in turmoil. Thousands of American soldiers died in Vietnam. Assassins struck down Robert Kennedy and Martin Luther King. Neighbors feared and distrusted one another. We were a state and a nation deeply divided by race, age and politics.

This was especially evident on our college campuses. On these campuses, the passions of the time spawned protests and confrontation. Some of these protests are known to all Americans. One of the most famous images of the era is that of a young girl weeping over her fallen friend at Kent State in Ohio.

But when we look in the pages of history, the Orangeburg Massacre is often missing. Most Americans know about the four students killed at Kent State in 1970, but not the three students killed at S.C. State two years before. What happened here thirty-three years ago was the first tragedy of its kind on an American college campus. Yet few Americans have ever heard the names of Samuel Hammond, Delano Middleton and Henry Smith. Most Americans do not know them as we know them.

Henry Smith was a sophomore from Marion. His mother was secretary of his high school PTA. Henry's mother taught him the importance of a good education. She told her children, ''I always figured if I couldn't get it, I was going to have it for my kids. Get them to college and get them what they needed.'' Henry kept his promise to his mother. And he wrote her every week to let her know how he was doing in school.

Delano Middleton was a student at Wilkinson High School here in Orangeburg. He would often lead his teammates in prayer after football practice. His mother worked at the college, and Delano often spent time on the campus making friends with the other students.

Samuel Hammond was born in Barnwell, and grew up in Florida. He returned to his home state with dreams of becoming a teacher. On a college questionnaire, Samuel was asked ''What was the one big thing he wanted in life?'' Samuel responded that the thing he wanted most was an education.

Henry Smith, Samuel Hammond and Delano Middleton each wanted to enjoy the unlimited potential offered in America . . . in a time and place where skin color provided limited opportunity. It was that effort to claim equal rights and equal opportunity, that pursuit of human dignity . . . that led students to protest segregation at a local bowling alley.

And after three days of fear and uncertainty . . . these three young men were killed . . . and twenty-seven others wounded . . . on the grounds of this campus.

We deeply regret what happened here on the night of February 8, 1968. The Orangeburg Massacre was a great tragedy for our state. Even today, the State of South Carolina bows its head, bends its knee and begins the search for reconciliation.

The families of Samuel Hammond, Henry Smith and Delano Middleton are gathered here today. We thank you for coming. As a parent, I can only imagine the sorrow you must have felt to lose a loved one. We wish we had the opportunity to know them as you did. We regret that they were taken from us at such a young age.

Many of the survivors of that night have gathered here. We thank you for coming, and we welcome you back to Orangeburg today. We take comfort from the fact that Orangeburg is a better place, South Carolina is a better place, and America is a better place than it was thirty-three years ago.

I also want to thank the students of S.C. State for being here today. If these three young men were alive today, their sons and daughters would be college students just like you. They were here because their parents believed in the power of education. And you are here because of the sacrifices they made. These sacrifices must never be forgotten, and these opportunities must never be taken for granted.

Thirty-three years ago, a group of students gathered around a bonfire on this campus after being denied their basic right to patronize a local business. And on that cold February night, that bonfire was extinguished, along with the lives of three brave young men.

But that bonfire still glows brightly today. Because we—the living—are now the keepers of that flame.

We must carry the flame with understanding . . . and compassion . . . and education. Opportunity comes from education. Ignorance and prejudice are turned back by education.

The flame of education illuminates the dark corners of our past. The flame of education warms our hearts with reconciliation. And the flame of education can guide us into a future of boundless hope and opportunity.

In America, we still seek the image of democracy itself. And we still must contend with our passions and our prejudices.

But if Alexis de Tocqueville . . . or Samuel Hammond . . . or Henry Smith . . . or Delano Middleton were here today, they would see a city, and a state, and a nation where fear has waned and hope abides. They would witness the progress of our democracy, nod their heads and recognize that there is still much to be done.

And most importantly, they would urge us to continue down the path of reconciliation.

Thank you for granting me the honor of standing here today.

INTRODUCTION OF A BILL TO AMEND THE NATIVE HAWAIIAN HEALTH CARE IMPROVEMENT ACT TO REVISE AND EXTEND SUCH ACT

HON. NEIL ABERCROMBIE

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. ABERCROMBIE. Mr. Speaker, I rise today with my colleague, Representative Patsy Mink, to introduce a bill to reauthorize the Native Hawaiian Health Care Improvement Act. The purpose of this legislation is to improve the health status of Native Hawaiians through the continuation of comprehensive health promotion and disease prevention. IT is intended to provide health education in Native Hawaiian communities and primary care health care services using traditional Native Hawaiian healers and health care providers trained in Western medicine. In areas where there is an underutilization of existing health care delivery systems that can provide culturally relevant health care services, this bill authorizes the Secretary of the Department of Health and Human Services to contract with Native Hawaiian health care systems to provide care referral services to Native Hawaiian patients. This reauthorization is intended to assure the continuity of health care programs for Native Hawaiians under the authority of Public Law 100–579.

As enacted in 1988, the Native Hawaiian Health Care Improvement Act is premised upon the findings and recommendations of the Native Hawaiian Health Research Consortium report of December 1985 to the Secretary of the Department of Health and Human Services. The report clearly indicates that the underutilization of existing health care services by Native Hawaiian can be traced to the absence of culturally-relevant services. Additionally, the report reveals a general perception in the Native Hawaiian community that health care services based on concepts of Western medicine will not cure diseases afflicting Native Hawaiian people.

The bill contains extensive findings on the current health status of Native Hawaiians including the incidence and mortality rates associated with various forms of cancer, diabetes, asthma, circulatory diseases, infectious disease and illness, and injuries. It also includes statistics on life expectancy, maternal and child health, births, teen pregnancies, fetal mortality, mental health, and education and training in the health professions.

The Native Hawaiian population living in Hawaii consists of two groups: Hawaiians and part-Hawaiians, which are distinct in both age distributions and mortality rates. Hawaiians comprise less than 5 percent of the total Native Hawaiian population and are much older than the growing part-Hawaiian population.

Overall, the Native Hawaiian death rate is 34 percent higher than the death rate for all races in the United States, but this composite masks great differences that exist between Hawaiians and part-Hawaiians. Hawaiians have a death rate 146 percent higher than the U.S. all-races rate. Part-Hawaiians also have a higher death rate, but only 17 percent greater than the U.S. as a whole. A comparison of age-adjusted death rates for Hawaiians and part-Hawaiians reveals that Hawaiians die at a

rate 110 percent higher than part-Hawaiians, and this pattern is found in all but one of the 13 leading causes of deaths common to both groups.

The health status of Native Hawaiians is far below that of other U.S. population groups. In a number of areas, the evidence is compelling that Native Hawaiians constitute a population group for which the morality rates associated with certain disease exceed that for other U.S. populations in alarming proportions.

Native Hawaiians premise their high morality rates and incidence of disease upon the breakdown of the Hawaiian culture and belief systems, including traditional healing practices. That breakdown resulted from western settlement and the influx of western diseases to which the native people of the Hawaiian Islands lacked immunity. Further, Native Hawaiians perceive the high incidence of mental illness and emotional disorders in the Native Hawaiians population as evidence of the cultural isolation and alienation of the native peoples in a statewide population of which they now constitute only 20 percent. Settlement from both the east and the west brought new diseases which decimated the Native Hawaiian population, and it devalued their customs and traditions to the point of prohibiting their native tongue in schools and other public venues.

The concepts embodied in this bill are the result of extensive work of Native Hawaiian health care professionals and others dedicated to improving the health of Native Hawaiians. Its purpose is to enable Native Hawaiians to achieve the healthful harmony of the self, or lokahi, with others and all of nature. For Native Hawaiians to function effectively as citizens and leaders in their own homeland, there must be a restoration of cultural traditions, integration of traditional healing methods in the health care delivery system, and a collective effort to restore to Native Hawaiians a sense of self esteem and self worth. The ultimate goal is to have this Native Hawaiian way of dealing with health eventually become an integral part of the State's health policy for both Native Hawaiian and Non-Hawaiians.

HONORING GENERAL MOTORS FLINT TRUCK ASSEMBLY PLANT

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. KILDEE. Mr. Speaker, today I speak on behalf of a group of men and women who proudly represent the best of working America. On Tuesday, February 13, business and community leaders in my hometown of Flint, MI, will gather to honor the 3,051 auto workers of the Flint Truck Assembly Plant. On that day they will celebrate the Chevy Silverado HD, selected by Motor Trend Magazine as 2001's ''Truck of the Year.''

The Flint Truck Assembly Plant which is located on Van Slyke Road has been assembling automobiles since 1947. In addition to producing the Silverado 1500, 2500, 3500 HD, the plant also produces GMC Sierra 1500, 2500, and 3500.

General Motors continues to support the plant by investing $500 million in new equipment, and there are plans to add a new line. With continued support not only from General Motors but also from the community, the plant will no doubt see many more successes and accolades in the future.

Mr. Speaker, the Chevy Silverado HD was built with quality labor and parts. The employees of the Flint Truck Assembly Plant have worked diligently to improve their facility's productivity and quality. This group is one example of what hard work, determination and a passionate desire to be No. 1 can accomplish. I am grateful for the men and women who day-in and day-out work to provide safe quality vehicles for our Nation and the world. I ask my colleagues in the 107th Congress to join me in recognizing their achievement.

TRIBUTE TO JUDY ROCCIANO

HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Ms. DEGETTE Mr. Speaker, I would like to recognize the notable accomplishments and the extraordinary life of a woman in the 1st Congressional District of Colorado. It is both fitting and proper that we recognize this community leader for her exceptional record of civic leadership and invaluable service. It is to commend this outstanding citizen that I rise to honor Ms. Judy Rocciano.

Judy Rocciano is a remarkable woman who has touched the lives of many people and made a tremendous impact on our community. Her indomitable spirit has sustained her through many challenges and molded a life of notable accomplishment. Those who know Judy understand her passion for fairness, community service and political activism. She is well known in the Denver area for being outspoken and for her immeasurable contribution to the life our community.

Judy Rocciano began her life in Findlay, Ohio and in 1971, she came to Colorado on vacation and subsequently moved to Denver three months later. Judy is a paralegal and has been a successful businesswoman. She has distinguished herself in the non-profit sector as the Southwest Director of the Concord Coalition where she worked on revisions to Social Security and Medicare in six states. She also served as a powerful advocate for Choice as Executive Director of Colorado NARAL. It comes as no surprise that she was honored by Colorado NARAL as a ''Local Hero.''

Judy also found the time to serve in numerous community service capacities as a board member of the Washington Park Community Center, as a founding board member of the Neighborhood Resource Center, and as President of Colorado NARAL, the Aurora League of Women Voters, the West Washington Park Neighborhood Association and the Theatre Associates Group. She has also been very active in the Colorado Chapter of the Multiple Sclerosis Society.

I have had the great privilege of working with Judy Rocciano in a political organizing capacity. She is well known in Democratic political circles for her leadership and years of service to the Democratic Party and its candidates. When people need some advice or need to get something done, they go to Judy Rocciano. She has managed numerous campaigns including those of State Senator Deanna Hanna, State Senator Doug Linkhart, State Representative Wayne Knox, State Board of Education Member Gully Stanford, and Councilman Dave Doering. She was instrumental in passing the bonding authority to build Denver International Airport and she also managed campaigns for the Science and Cultural Facilities District to bring needed resources to sustain the arts and cultural amenities in Denver. She headed up the Get-Out-The-Vote effort for my first campaign, for the campaign of Councilwoman Cathleen MacKenzie and for the Democratic Coordinated Campaign.

Judy Rocciano's contribution to the life and character of our community is one that is rich in consequence. It is the character and deeds of Judy Rocciano, and all Americans like her, which distinguishes us as a nation and ennobles us as a people.

Please join me in paying tribute to Judy Rocciano. It is the values, leadership and commitment she exhibits on a daily basis that serves to build a better future for all Americans. Her life serves as an example to which we should all aspire.

NATIONAL SALUTE TO HOSPITALIZED VETERANS

HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Ms. McCARTHY of Missouri. Mr. Speaker, in 1978 the Department of Veterans Affairs designated the week of February 14 as ''National Salute to Hospitalized Veterans,'' calling upon the nation to focus on hospitalized veterans by making personal visits, hosting programs, and sending valentine cards to veterans from an appreciative country. Twelve years ago columnist Ann Landers called up Americans to participate by sending a valentine to hospitalized veterans on February 14. The response has been tremendous as school children, clubs, churches, and individuals sent notes of affection to those who gave the greatest gift of love through their patriotic service.

''National Salute to Hospitalized Veterans'' was originally known as ''No Greater Love Day'' in tribute to those who sacrificed to protect the future of the United States and the freedom each of us enjoys today. Those who choose to serve know that ''Greater love hath no man than this, that a man lay down his life for his friends.'' (John 15:13.) In recognition of an injury sustained during times of conflict a soldier receives a heart, the Purple Heart, the greatest honor and a symbol of admiration. In tribute we are reminded to send a valentine message from the heart to veterans wounded in action and to all who served.

As we salute our veterans, we must also recognize the medical care provided by VA medical centers, clinics, and nursing home facilities. I applaud the efforts of the hundreds of compassionate men and women who have dedicated themselves professionally to our veterans. Our veterans are receiving the best of care from people who care. This includes volunteers, many of them veterans, who provide countless hours of medical and customer service. Collectively they help provide that personal contact which means so much. As we

extend our heartfelt thanks to our veterans, it is the appropriate time to also acknowledge the dedication of those who provide professional and voluntary care.

Mr. Speaker, please join me in saluting our veterans who served in times of peace and war and those who care for our veterans. Happy Valentines Day, a day that symbolizes true love and appreciation.

THE LIFETIME ACHIEVEMENTS OF JEAN CARPENTER

HON. HILDA SOLIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mrs. SOLIS. Mr. Speaker, Jean Carpenter opened the doors of opportunity for the children of Baldwin Park through her ''learning to read'' programs. She served as a positive role model to the residents of the 31st Congressional District. She is an example of how one person's perseverance can make tremendous changes to improve our educational system.

Sadly, Jean Carpenter passed away this Monday, February 12, 2001 at the age of 58. She was first diagnosed with breast cancer in 1987 which later resurfaced in 1996.

An active school board member since 1995, she helped establish reading programs as a way to help children obtain a brighter future. These innovative reading programs that were implemented by the school board significantly improved student test scores in Baldwin Park.

Jean believed that by setting high expectations for each student, this would consequently lead to higher school retention, less drop-out rates, and better preparation to enter the workforce.

She was ahead of her time, advocating reduction in class sizes, initiating a drive to obtain $4.3 million for computer and technology equipment for local schools, and helping to pass a $15 million school bond to remodel and improve old school buildings.

She also began the ''Mother and Daughter Program'' to involve parents in their children's education. Jean believed that parent participation would motivate students to excel academically so that they could attain a college education.

She was bestowed with many awards, including: the 1998 57th Assembly District Woman of the Year and the 1999 Baldwin Park Citizen of the Year. In the year 2000, she was honored with the Lifetime Achievement Award from the Young Women's Christian Association (YWCA).

Jean was honored with these awards due to her leadership and commitment to improving the educational system in Baldwin Park. To her friends and family, she was a fighter. Even during her struggle with cancer, she continued to serve on the school board and participated in many community activities.

Jean Carpenter obtained her Bachelor of Arts degree from St. Thomas Aquinas College and a Masters in Education from City College of New York. Carpenter is survived by her husband Leroy, her son Michael, and two grandchildren.

We must continue to share the legacy that Jean Carpenter left for us to admire and to replicate in order to improve the educational system nationwide.

IDENTITY THEFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 2001

Mr. PAUL. Mr. Speaker, I highly recommend the attached article ''Know Your Customer'' by Christoper Whalen, which recently appeared in Barron's, to my colleagues. This article examines the horrors faced by victims of America's fastest-growing crime: identity theft. As the article points out, millions of Americans have suffered deep financial losses and the destruction of their credit history because of identity theft. Victims of identity theft often discover that the process of reestablishing one's good reputation resembles something out of a Kafka novel. identity fraud also effects numerous businesses which provide credit to unscrupulous individuals based on a stolen credit history. Just last year, American businesses and consumers lost 25 billion dollars to identity thieves!

Mr. Whalen properly identifies the Social Security number and its use as a universal identifier as the root cause of identity theft. Unfortunately, thanks to Congress, today no American can get a job, open a bank account, or even go fishing without showing their Social Security number. Following the lead of the federal government, many private industries now use the Social Security number as an identifier. After all, if a bank needs to see their customers' Social Security number to comply with IRS regulations, why shouldn't the bank use the Social Security number as a general customer identifier?

In order to end this government-facilitated identity theft, I have introduced the Identity Theft Prevention Act (H.R. 220). This act requires the Social Security Administration to issue new, randomly-generated Social Security numbers to all citizens within five years of enactment. The Social Security Administration would be legally forbidden to give out the new number for any purpose not related to Social Security administration. Numbers issued prior to implementation of this legislation would have no legal value as an identifier—although the Social Security Administration could continue to use the old numbers to cross reference an individual's records to ensure smooth administration of the Social Security system.

This act also forbids the federal government from creating national ID cards or establishing any identifiers for the purpose of investigating, monitoring, overseeing, or regulating private transactions between American citizens, as well as repealing those sections of the Health Insurance Portability and Accountability Act of 1996 that require the Department of Health and Human Services to establish a uniform standard health identifier. By putting an end to government-mandated uniform IDs, the Identity Theft Prevention Act will prevent millions of Americans from having their liberty, property and privacy violated by private-and-public sector criminals.

I urge my colleagues to read the attached article and act to repeal government policies which facilitate identity theft by cosponsoring the Identity Theft Prevention Act.

[From Barrons, January 15, 2001]

KNOW YOUR CUSTOMER

LENDERS INCREASINGLY ARE PAYING FOR IGNORING THAT MAXIM

(By Christopher Whalen)

High-yield paper is out of favor with Wall Street as an economic slowdown raises concerns about credit quality. One in five issuers have paper trading at distressed levels. Consumer lenders are under particular pressure due to worries about a looming recession. But investors in companies that make consumer loans should worry about more than a slowing economy.

Consumer lenders write off an average of 6% of loans each year. That's a bad enough record, but investors ought to realize that the industry's own sloppy screening practices contribute significantly to the losses.

Identity theft is the fastest-growing crime in America and costs companies $25 billion last year. Much of the cause lies with one factor completely avoidable by lenders; the use of Social Security numbers as identifiers.

One of my in-laws—I will call her Jean to protect what remains of her privacy—was the victim of identity theft in 1999. Jean is a teacher who lives in Westchester County, New York, and drives a Volvo. She and her husband have perfect credit. About a year ago, Jean called in a panic, saying that her bank had frozen the family checking account because someone had a judgment against her. Being the banker in the family, I agreed to act for Jean. What I discovered during more than a year of investigation was a personal outrage and an investor's nightmare.

Every investor who buys securities back by consumer loans or the equity of companies that are significantly involved in the consumer-loan business should think twice before investing in such paper.

One of the world's biggest nonbank financial firms—wee'll call it Megacorp—provided credit to a criminal who used Jean's Social

After the perpetrator defaulted on the loan payments, Megacorp obtained a judgment against the alias. Using the Social Security number, Megacorp's agents found Jean's family checking account at a big New York commercial bank. Even though the name and address were clearly wrong, Jean's bank enforced a garnishment order from Megacorp and froze $5,000 in the account.

I contacted the police and Secret Service, who were familiar with the Bronx address used to commit the fraud against Megacorp. I then called and wrote to the lawyer for Megacorp, a lowbrow law firm and collection agency that handles hundreds of such claims per month. I explained that Jean was the victim of identity theft and that Megacorp wrongly garnished her bank account.

Lawyers for Megacorp refused to back off and responded with a torrent of verbal abuse, accusing Jean of committing other misdemeanors. The law firm used a similar tone in telephone calls to Jean's mother. We responded by filing with the court a strongly worded show cause motion, as well as a motion seeking sanctions. Megacorp's attorneys subsequently began to back-pedal and eventually withdrew the garnishment. The cost of this exercise was roughly $1,500 in legal fees, plus the time to draft documents and letters, and two visits to the Bronx Civil Court, a venue too near Yankee Stadium for comfort.

I contacted Megacorp and the three major credit reporting agencies, Experian, TransUnion and Equifax. I asked how a criminal using a dubious Bronx mailing address and a false, oddly spelled name could

obtain credit using the Social Security number and non-existent credit history of a middle-class woman who lives in Westchester. On examining Jean's credit reports, I discovered that it was Megacorp, after extending credit to the Bronx delinquent, that reported the false name and new address to Experian linked to Jean's Social Security number. The alias and new address were automatically added to Jean's credit history without any verification whatsoever.

By making the false report to Experian, Megacorp apparently created a window of opportunity, enabling the Bronx lawbreaker to open accounts with Home Depot, Exxon, and AT&T Wireless, eventually involving over $10,000 in bad debt. I contacted these vendors to correct their misimpression that Jean was their customer.

Significantly, neither Megacorp nor Experian nor any of the other credit reporting agencies attempted to contact Jean to verify the significant change in name and address reported by Megacorp.

I confronted representatives of Experian and the other credit agencies about the false information place in Jean's credit report, yet they disclaimed any responsibility for the validity of the information. Representatives of Experian say they aren't responsible for the accuracy of the data provided by financial institutions and that they don't even review the information. ''The banks do that,'' they asserted.

Experian's representatives were courteous, however, and amended the reports after we provided copies of the relevant court documents.

Megacorp continued to send Jean demand letters from various collection agencies for months after my first telephone and written responses. I kept on asking: How could anyone of even minimal competence look at the credit reports from Experian and other agencies and approve credit to the fictions Bronx resident?

Answer: The credit report tied to Jean's Social Security number wasn't reviewed. One Megacorp representative told me unofficially that the Social Security number was simply checked for defaults, judgments, etc., and when it came up clean—the number, not the name and not the application—the credit was approved.

The Secret Service agent in White Plains, New York, who took the report on Jean's experience confirmed that he sees dozens of such cases every month in which Social Security numbers are used to commit fraud. The perpetrators are rarely caught.

Lenders and the providers of credit information have created a system that is inadequate to its purpose if a valid Social Security number and a couple of other pieces of information are sufficient to defeat most credit controls. Lenders may complain that it would be too costly to manually screen applicants and verify identities, but how much more costly would it be if they had to bear the costs they now push off onto Jean and other victims of fraud?

Financial author Martin Mayer rightly says that there are no economies of scale in banking, but the loan approval operation of too many consumer lenders suggests there are dis-economies of scale. It seems that the bigger a bank gets, the sloppier it gets. To maximize revenue growth and control costs, consumer lenders use statistical screening tools and computer models to make credit decisions. In other words, they use the law of large numbers and simply roll the dice. If a criminal finds a Social Security number with a clean history, he's off to the races.

Eliminating the use of Social Security numbers as identifiers by law seems like a logical solution. Texas Rep. Ron Paul has introduced legislation to prohibit the commercial use of Social Security numbers as identifiers, but Congress needs to more thoroughly examine the issue.

Even if Social Security did not exist, the financial system would invent another system of universal identification. Congress should place the blame where it belongs, on the lenders and credit bureaus. It should require credit bureaus to obtain written affirmation from consumers prior to accepting a change in the name, address or other details on a credit history. Lenders should be held liable for reporting false information to credit bureaus, especially in cases where false reports lead to acts of financial fraud.

Additionally, Congress needs to afford consumers greater protection from asset seizures based solely on Social Security numbers.

We are, after all, innocent until proven guilty. A bank or Megacorp that treats us otherwise has committed a gross injustice. And it—not we—should pay.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S1241–1361

Measures Introduced: Twenty bills and four resolutions were introduced, as follows: S. 302–321, S.J. Res. 5, S. Res. 19, and S. Con. Res. 9–10.

Pages S1270–71

Patent, Copyright, and Trademarks Laws Technical Correction—Agreement: A unanimous-consent-time agreement was reached providing for consideration of S. 320, to make technical corrections in patent, copyright, and trademark laws, at 2 p.m., on Wednesday, February 14, 2001. **Page S1353**

Appointments:

Commission on Security and Cooperation in Europe (Helsinki): The Chair, on behalf of the Vice President, pursuant to Public Law 94–304, as amended by Public Law 99–7, appointed Senators Hutchison, Brownback, Smith (OR), and Voinovich as members of the Commission on Security and Cooperation in Europe (Helsinki) during the 107th Congress. **Page S1353**

James Madison Commemoration Commission Advisory Committee: The Chair, on behalf of the Majority Leader, pursuant to Public Law 106–550, announced the appointment of Steven G. Calabresi of Illinois, and Forrest McDonald of Alabama to serve as members of the James Madison Commemoration Commission Advisory Committee. **Page S1353**

U.S.-China Security Review Commission: The Chair, on behalf of the President pro tempore, pursuant to Public Law 106–398 and in consultation with the chairmen of the Senate Committee on Armed Services and the Senate Committee on Finance, appointed Michael A. Ledeen, of Maryland, Roger W. Robinson, Jr., of Maryland, and Arthur Waldron, of Pennsylvania as members of the United States-China Security Review Commission.

Page S1353

Nominations Received: Senate received the following nominations:

Bill Frist, of Tennessee, to be a Representative of the United States of America to the Fifty-fifth Session of the General Assembly of the United Nations.

Routine lists in the Air Force, Army, Marine Corps, Navy. **Pages S1353–61**

Communications: **Pages S1267–70**

Statements on Introduced Bills: **Pages S1271–1347**

Additional Cosponsors: **Pages S1347–49**

Authority for Committees: **Pages S1352–53**

Additional Statements: **Page S1266**

Privileges of the Floor: **Page S1353**

Adjournment: Senate met at 9:32 a.m., and adjourned at 6:08 p.m., until 10 a.m., on Wednesday, February 14, 2001. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S1353 .)

Committee Meetings

(Committees not listed did not meet)

MONETARY POLICY REPORT

Committee on Banking, Housing, and Urban Affairs: Committee concluded oversight hearings to examine the first Monetary Policy Report for 2001, after receiving testimony from Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System.

BUDGET OUTLOOK AND TAX POLICY

Committee on the Budget: Committee concluded hearings to examine the budget outlook and tax policy issues, including the Administration's tax cut proposal, the projected budget surpluses, and the effects of high marginal tax rates, after receiving testimony from Kevin A. Hassett, American Enterprise Institute, and William G. Gale and Gene B. Sperling, both of Brookings Institution, all of Washington, D.C.; and Martin Feldstein, Harvard University, Cambridge, Massachusetts.

AIRLINE CUSTOMER SERVICE

Committee on Commerce, Science, and Transportation: Committee concluded hearings to examine the Department of Transportation Inspector General's final report on airline customer service, after receiving testimony from Kenneth M. Mead, Inspector General, and Robin K. Hunt, Director, Aviation Security and Infrastructure, both of the Department of Transportation; and Carol B. Hallett, Air Transport Association of America, Washington, D.C.

NOMINATION

Committee on Governmental Affairs: Committee concluded hearings on the nomination of Joe M. Allbaugh, of Texas, to be Director of the Federal Emergency Management Agency, after the nominee, who was introduced by Senators Gramm and Hutchison, testified and answered questions in his own behalf.

NURSING SHORTAGE

Committee on Health, Education, Labor, and Pensions: Subcommittee on Aging concluded hearings to examine the impact of the current nurse staffing shortage on America's health care delivery system, after receiving testimony from Georges C. Benjamin, Maryland Department of Health and Mental Hygiene, and Kathryn Hall, Maryland Nurses Association, on behalf of the American Nurses Association and Maryland Colleagues in Caring Project, both of Baltimore; Dianne Anderson, Glens Falls Hospital, Glens Falls, New York, on behalf of the American Organization of Nurse Executives; Linda C. Hodges, University of Arkansas for Medical Sciences, Little Rock; and Brandon Melton, Catholic Health Initiatives, Denver, Colorado, on behalf of the American Hospital Association.

House of Representatives

Chamber Action

Bills Introduced:

46 public bills, H.R. 559–606; 1 private bill, H.R. 607; 4 resolutions, H.J. Res. 16–19; H. Con. Res. 23–31, and H. Res. 37–39 were introduced. **Pages H322–24**

Reports Filed: Report was filed today as follows:

H. Res. 36, providing for consideration of H.R. 554, to establish a program, coordinated by the National Transportation Safety Board, of assistance to families of passengers involved in rail passenger accidents (H. Rept. 107–1). **Page H277**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative Isakson to act as Speaker pro tempore for today. **Page H259**

Recess: The House recessed at 12:47 p.m. and reconvened at 2 p.m. **Page H261**

Suspensions: The House agreed to suspend the rules and pass the following measures:

Congratulating Prime-Minister-elect Sharon and Reaffirming the Friendship between the United States and Israel: H. Res. 34, amended, congratulating the Prime Minister-elect of Israel, Ariel Sharon, calling for an end to violence in the Middle East, and reaffirming the friendship between the Governments of the United States and Israel (agreed to by a yea and nay vote of 410 yeas to 1 nay with 1 voting "present", Roll No. 12); and **Page H262**

Social Security and Medicare Lockbox Act: H.R. 2, amended, to establish a procedure to safeguard the combined surpluses of the Social Security and Medicare hospital insurance trust funds (passed by a yea and nay vote of 407 yeas to 2 nays with 4 voting "present", Roll No. 13). Agreed to amend the title. Earlier, agreed to re-refer the bill to the Committees on the Budget and Rules. **Pages H277–78**

Recess: The House recessed at 3:25 p.m. and reconvened at 6 p.m. **Pages H276–77**

State of the Union Address on Tuesday, February 27: The House agreed to H. Con. Res. 28, providing for a joint session of Congress to receive a message from the President on Tuesday, February 27, 2001, at 9 p.m. **Page H278**

Committee Election: The House agreed to H. Res. 37, electing Mr. Sanders of Vermont to the Committees on Financial Services and Government Reform. **Page H278**

Consideration of Electronic Commerce Enhancement Act on Wednesday, February 14: Agreed that it be in order on Wednesday, February 14 for the Speaker to entertain a motion to suspend the rules relating to H.R. 524, Electronic Commerce Enhancement Act of 2001. **Page H278**

Consideration of Bill Designating the John Joseph Moakley United States Courthouse in Boston, Massachusetts: Agreed that it be in order on Wednesday, February 14, without intervention of any point of order to consider H.R. 559, to designate the United States courthouse located at 1 Courthouse Way in Boston, Massachusetts, as the "John Joseph Moakley United States Courthouse," that it be considered as read for amendment, and that the previous question be considered as ordered on the bill to final passage without intervening motion except one hour of debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure and one motion to recommit. **Page H278**

Referral: S. 235 was referred to the Committees on Transportation and Infrastructure and Energy and Commerce. **Page H319**

Quorum Calls Votes: Two yea and nay votes developed during the proceedings of the House today and appears on page 278. There were no quorum calls.

Adjournment: The House met at 12:30 p.m. and adjourned at 9:58 p.m.

Committee Meetings

RAIL PASSENGER DISASTER FAMILY ASSISTANCE ACT; OVERSIGHT PLAN

Committee on Rules: Granted, by voice vote, an open rule providing 1 hour of debate on H.R. 554, Rail Passenger Disaster Family Assistance Act of 2001. The rule allows the chairman of the Committee of the Whole to accord priority in recognition to those members who have preprinted their amendments in the Congressional Record. Finally, the rule provides one motion to recommit with or without instructions. Testimony was heard from Representatives Quinn and Clement.

The Committee also approved an Oversight Plan for the 107th Congress.

ADMINISTRATION'S TAX RELIEF PROPOSALS

Committee on Ways and Means: Held a hearing on the Administration's tax relief proposals. Testimony was heard from Paul H. O'Neill, Secretary of the Treasury; and public witnesses.

COMMITTEE MEETINGS FOR WEDNESDAY, FEBRUARY 14, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations: Subcommittee on Transportation, to hold oversight hearings on the Department of Transportation's management challenges, 2 p.m., SD–124.

Committee on Banking, Housing, and Urban Affairs: to resume hearings on S. 149, to provide authority to control exports, and to examine how to establish an effective, modern framework for computer, manufacturing, and electronics export controls, and its potential impact on the proliferation of weapons of mass destruction worldwide, 9:30 a.m., SD–538.

Full Committee, to hold hearings on S. 143, to amend the Securities Act of 1933 and the Securities Exchange Act of 1934, to reduce securities fees in excess of those required to fund the operations of the Securities and Exchange Commission, to adjust compensation provisions for employees of the Commission, 2:30 p.m., SD–538.

Committee on Commerce, Science, and Transportation: to hold hearings to examine the structure of Internet Corporation for Assigned Names and Numbers, the organization in charge of creating and distributing Internet domain names, and the effort underway to expand available domain names, 9:30 a.m., SR–253.

Committee on Finance: to hold hearings to examine education tax and saving incentives, 10 a.m., SD–215.

Committee on the Judiciary: to hold hearings to examine the impact of recent pardons granted by President Clinton, 10 a.m., SD–226.

House

Committee on Agriculture, to hold an organizational meeting; followed by a hearing on the current state of the farm economy and the economic impact of federal policy on agriculture, 10 a.m., 1300 Longworth.

Committee on Energy and Commerce, to meet for further organizational purposes, 10 a.m., followed by a hearing entitled: "Election Night 2000 Coverage by the Networks," 11 a.m., 2123 Rayburn.

Committee on Financial Institutions, to hold an organizational meeting, 10 a.m., 2128 Rayburn.

Committee on Government Reform, Subcommittee on the Census, hearing on "Oversight of the 2000 Census: The Success of the 2000 Census," 2 p.m., 2203 Rayburn.

Committee on International Relations, to hold an organizational meeting; followed by a hearing on State Department: In the Lead on Foreign Policy? 10 a.m., 2172 Rayburn.

Committee on the Judiciary, to mark up the following bills: H.R. 333, Bankruptcy Abuse Prevention and Consumer Protection Act of 2001; and H.R. 256, to extend for 11 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted, 10 a.m., 2141 Rayburn.

Committee on Resources, to hold an organizational meeting, 10:30 a.m., 1324 Longworth.

Committee on Science, to hold an organizational meeting, 2 p.m., 2318 Rayburn.

Committee on Small Business, to hold an organizational meeting, 2:30 p.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Water Resources and Environment, to hold an organizational meeting, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, to hold an organizational meeting, 11 a.m., 334 Cannon.

Committee on Ways and Means, Subcommittee on Health, to hold an organizational meeting, 2 p.m., 1129 Longworth.

Subcommittee on Human Resources, to hold an organizational meeting, 3 p.m., B–318 Rayburn.

Subcommittee on Oversight, to hold an organizational meeting, 11 a.m., 1129 Longworth.

Subcommittee on Select Revenue Measures, to hold an organizational meeting, 1 p.m., 1129 Longworth.

Subcommittee on Social Security, to hold an organizational meeting, 4 p.m., 1129 Longworth.

Subcommittee on Trade, to hold an organizational meeting, 10 a.m., 1129 Longworth.

Next Meeting of the SENATE

10 a.m., Wednesday, February 14

Senate Chamber

Program for Wednesday: After the recognition of certain Senators for speeches and the transaction of any morning business (not to extend beyond 2 p.m.), Senate will consider S. 320, to make technical corrections in patent, copyright, and trademark laws.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Wednesday, February 14

House Chamber

Program for Wednesday: Consideration of H.R. 559, designating the John Joseph Moakley United States Courthouse in Boston, Massachusetts (unanimous consent);

Consideration of H.R. 554, Rail Passenger Disaster Family Assistance Act (open rule, one hour of debate); and

Consideration of H.R. 524, Electronic Commerce Enhancement Act (suspension of the rules).

Extensions of Remarks, as inserted in this issue

HOUSE

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