The House met at 10 a.m.
Rabbi Lance Sussman, Temple Concord, Binghamton, New York, offered the following prayer:

Lord Our God, God of all people, Eternal Spirit of the Universe, we ask for blessings on this House and on the United States of America. Keep us strong as a Nation. Sustain in us a deep sense of justice. Incline our hearts to work for the betterment of all and peace for the human family. Keep alive in us the memory of all those who made ultimate sacrifices for our benefit as a Nation.

Bless this land with prosperity. Teach us to celebrate our differences and to unite around our common values. Be present with us in our homes, our places of work and on the way.

We thank You, Lord, for this day and for the opportunity to serve You by serving others. Amen.

THE JOURNAL

The SPEAKER. 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. Will the gentleman from New York (Mr. HINCHEY) come forward and lead the House in the Pledge of Allegiance?

Mr. HINCHEY led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed a concurrent resolution of the following title in which the concurrence of the House is requested:

S. Con. Res. 18. Concurrent Resolution recognizing the achievements and contributions of the Peace Corps over the past 40 years, and for other purposes.

The message also announced that pursuant to section 9355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the Senator from Colorado (Mr. ALLARD), from the Committee on Armed Services, to the Board of Visitors of the United States Air Force Academy.

The message also announced that pursuant to section 4355(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the Senator from Pennsylvania (Mr. SANTORUM), from the Committee on Armed Services, to the Board of Visitors of the United States Military Academy.

The message also announced that pursuant to section 6968(a) of title 10, United States Code, the Chair, on behalf of the Vice President, appoints the Senator from Arizona (Mr. MCCAIN), from the Committee on Armed Services, to the Board of Visitors of the United States Naval Academy.

The message also announced that pursuant to Public Law 105–341, the Chair, on behalf of the Majority Leader, announces the appointment of the following individual to the Women’s Progress Commemoration Commission: Becky Norton Dunlop, of Virginia, vice Elaine L. Chao.

The message also announced that pursuant to section 8002 of title 26, United States Code, the Chair announces on behalf of the Committee on Finance, the designation of the following Senators as members of the Joint Committee on Taxation:

The Senator from Iowa (Mr. GRASSLEY).

The Senator from Utah (Mr. HATCH).

The Senator from Alaska (Mr. MURKOWSKI).

The message also announced that pursuant to section 8002 of title 26, United States Code, the Chair, on behalf of the Majority Leader, announces the appointment of the following individual to the Women’s Progress Commemoration Commission: Becky Norton Dunlop, of Virginia, vice Elaine L. Chao.

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Elkins Park, Pennsylvania, where he will begin serving in July. He will be greatly missed by his congregation and the countless other residents of the Binghamton area whose lives he has touched.

Mr. SPEAKER. I am proud that this Chamber has honored Rabbi Sussman with the opportunity to offer today's opening prayer. It is a wonderful send-off for a fine man and spiritual leader. I hope that you will join me in welcoming Rabbi Sussman, his wife Liz, their children, family members and congregants.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. QUINN). The Chair will entertain 10 one-minutes per side.

TAX CUTS

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

Mr. PITTS. Mr. Speaker, the President came here this week to present his responsible plan for paying down the debt, saving Social Security and Medicare, strengthening our defense and improving education. It is a good plan. It puts issues front and center that both he and his opponent campaigned on. How we get things done will be the subject of debate.

Mr. Speaker, some are questioning whether the President's tax cut is large enough. Why leave almost a trillion dollars just sitting in the Treasury waiting to be spent. Perhaps it would be better to increase the size of the President's tax cut and get that money out of Washington and out of the hands of politicians. But some in this body are very ho-hum about tax cuts. They say that we do not need them, that we should keep that money here so it can be spent. Keep in mind that the American people already spend more every year on taxes than they do on food, clothing, shelter and transportation combined.

Mr. Speaker, the American people need, deserve and should get a tax cut. If done soon enough, it will help stimulate the economy.

HONORING THE LIFE OF KAYLA ROLLAND

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

Mr. PASCRELL. Mr. Speaker, I think it is appropriate to take a moment this morning to honor little Kayla Rolland. As a father and grandfather, I can understand the love that Kayla's family feels for her. Six-year-old Kayla was gunned down in a playground in Michigan 1 year ago. Her killer, a classmate in the first grade, had found a loaded gun at home. The tragic death of little Kayla has shaken us all and must force us to ask the question, how can we allow these gun-related tragedies to happen and not respond? Kayla's fate is not uncommon.

Mr. Speaker, do my colleagues know that more than 800 Americans die each year from guns shot from children under the age of 19? Do they know that the rate of firearm deaths of children 1 to 14 years of age is nearly 12 times higher in the United States than in all of the top 25 industrialized countries? If they did not know that, they should. Whether it is childproof guns, whether it is personalized weapons, we need to come together on both sides of the aisle to do something that makes common sense.

PRESIDENT'S BUDGET IS RESPONSIBLE FOR AMERICA'S FAMILIES

(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, President Bush this week released his budget, a budget which is fashioned in the same way that you and I and millions of Americans figure out their home monthly budget.

First, it funds our priorities, including education, health care, Social Security, Medicare and Defense. Secondly, it pays down the Nation's debt, providing the greatest amount of debt reduction in U.S. history.

Third, the budget includes a $1 trillion contingency fund to ensure that the United States can meet any unforeseen or emergency funding burden.

Finally, the money left over is returned to the hard-working people of America through responsible tax relief that will not only encourage savings, but also spur continued economic growth.

This budget is responsible. It is visionary, and it is right for our future.

Mr. Speaker, I yield back the criticism of those who refuse to act in responsibly and simply want a frivolous tax cut for the heartland of America promoting his tax reduction plan, and it sparked a very interesting debate.

Everybody agrees that the money is going to be spent. The only argument is who is going to spend it, the hard-working American taxpayer who earned it or the bureaucrats in Washington who have taken it from them in higher than necessary taxes.

Mr. Speaker, the argument is very simple. There is going to be a lot of rhetoric about this, but cut through the rhetoric and listen to what they are saying. What they are saying is that you who earned it are too dumb to spend it wisely, so because they care so much for you, they are going to keep your money, rather than give it back to you, because if they gave it back to you, you would not spend it wisely and bureaucrats in Washington will spend it more wisely than you will.

I do not think the average American believes that, Mr. Speaker, and I think that the proposed tax cut is even too small. It is going to leave too much money on the table. And if it is there, the bureaucrats in Washington are going to spend it, and we ought to give it back to the people. They earned it, and they will spend it better than we will.

DEFEAT H.R. 333, THE SO-CALLED BANKRUPTCY REFORM BILL

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

Mr. KUCINICH. Mr. Speaker, Americans are told do not leave home without it. But if you overuse it, you can lose your home, or you can lose everything inside your home with it. I am speaking about H.R. 333, the so-called bankruptcy reform bill, which is up today for a vote on this floor.

This bill is a direct threat to American consumers and businesses. The so-called bankruptcy reform bill will hurt American families in financial crisis by subjecting them to an inflexible standard based on IRS collection guidelines. The bill contains inflexible deadlines, excessive filing requirements, which would needlessly force viable businesses into liquidation. Had it been law...
a few weeks ago, it would have made impossible the reorganization of LTV Steel in Cleveland, resulting in its liquidation at the cost of 5,000 jobs.

In this bill, protections of household goods against liens have been decimated. Home security computers for adult education, firearms even for subsistence, hunting could be seized by a business or the IRS because of this change. Defeat H.R. 333.

IDEA FULL FUNDING ACT OF 2001

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

Mr. MILLER of California. Mr. Speaker, today I will be introducing the IDEA Full Funding Act of 2001. I would like to thank my 27 colleagues who have already joined me in supporting the important measure.

In 1975, the U.S. Congress passed the Individuals with Disabilities Education Act, IDEA, mandating that local school districts provide appropriate education to students with special needs. Realizing that this could be a costly endeavor, Congress agreed to fund up to 40 percent of the average per pupil expenditure.

However, to date, Congress has only provided States with 14.9 percent of the funds promised. We need to do a better job of keeping the IDEA promise, and I am proposing that we strive to meet this goal.

My bill will achieve the 40 percent level in 2011. By steadily increasing funds over the next 10 years, we would demonstrate our commitment to our local school districts and practice fiscal prudence.

Mr. Speaker, I invite my colleagues to join me in meeting the IDEA promise.

EDUCATION AND WORKFORCE COMMITTEE BOYCOTT

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

Mr. RODRIGUEZ. Mr. Speaker, I am deeply concerned about the decision of the Committee on Education and the Workforce to split the higher education subcommittee for this session. The separation of historically black, Hispanic-serving universities to the subcommittee where they belong, the subcommittee that has jurisdiction over higher education, the Subcommittee on 21st Century Competitiveness, the subcommittee for this century.

Separating historically black, Hispanic, and tribal institutions from the higher education subcommittee is insulting. It is harmful. It takes us back to the 19th century.

The Republicans’ decision is insulting and harmful. It is harmful to our colleagues. It is harmful to the institutions, to the students, and those who attend them, and it is harmful to our Nation.

What good reason could there be for not changing this decision? There is no good reason. Just do it.

STEEL REVITALIZATION ACT

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

Mrs. JONES of Ohio. Mr. Speaker, I rise this morning to discuss the steel crisis which has forced American steel producers like LTV Corporation in my city into bankruptcy. Today under the leadership of the gentleman from New York (Mr. QUINN), we will introduce, along with the gentleman from Indiana (Mr. VISCONS), the Steel Revitalization Act.

The aim of this legislation is to aid American steel producers through import relief, legacy cost sharing, adjusting the Steel Loan Guarantee Program, and providing incentives to consolidate. We hope this legislation will help all steelworkers.

The flood of illegally subsidized foreign steel into American markets has caused our companies to declare bankruptcy at alarming rates. I find it somewhat ironic that we are introducing the Steel Caucus package on the same day the House is expected to debate the bankruptcy reform.

Estimates of the cost of the economic impact of losing LTV in Cleveland show that the steel maker pays $338 million in annual wages and salaries and $68 million in benefits.

I urge my colleagues to support the Steel Revitalization Act and would press the House leadership to bring this legislation to the floor quickly.

EDUCATION AND WORKFORCE SUBCOMMITTEE JURISDICTIONS

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

Mr. ACEVEDO-VILÁ. Mr. Speaker, the exclusion of minority higher education issues from the Subcommittee on 21st Century Competitiveness is a step backward. Congress must take a step forward and combine all higher education programs into one subcommittee.

In my district, Puerto Rico, I am proud to represent 46 institutions of higher education, both public and private, and comprised of over 174,000 students. Compared to many districts, my schools are permanently populated by minority students, and I am here to raise their voice in opposition.

By targeting minorities and placing them in a separate subcommittee with at-risk youth, child abuse, and domestic violence connotes that minorities
are a problem in our society, when in reality it is the mixing of many cultures that make this Nation strong. As minorities grow in numbers and influence our country, we have not forgotten our roots or the pain or discrimination of being ignored or left behind. We shall continue to demand the same high quality education as the rest of the society. This exclusionary action lessens the quality and promotes ignorance. I join my fellow colleagues today to let our voice be heard, our presence be known.

SEPARATE BUT EQUAL IS NOT ACCEPTABLE IN AMERICA

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

Ms. McCOLLUM. Mr. Speaker, today, I am giving my first speech on the House floor. It is a great privilege to be here. I was sent to Congress to fight for equality and justice for Minnesota families and all American families.

Today I am speaking out against the inequality and injustice that only can be corrected by the majority on the Committee on Education and the Workforce.

Separating historically black colleges from other higher education institutions is a disgrace. Separating tribal college-serving higher education institutions is a disgrace. Separating Hispanic-serving institutions is an injustice.

We are one Nation. Separate but equal is not acceptable in America, and it must not be acceptable in Congress.

I call upon the Republican leadership to unite all institutions of higher education into one subcommittee and treat all of our children with dignity and equality.

IN THE 21ST CENTURY, ALL SCHOOLS DESERVE LEVEL PLAYING FIELD

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

Ms. SOLIS. Mr. Speaker, I rise to express my dismay with the plan put forth by my Republican colleagues which would hurt our Nation’s important minority-serving higher education institutions. This plan would remove Hispanic-serving institutions, historically black colleges and universities, and tribal colleges from the consideration of the Subcommittee on 21st Century Competitiveness, which deals with higher education and, instead, places them in a select Committee on Education and the Workforce which deals with juvenile crime and child abuse.

What kind of message are we sending when we exclude minority-serving institutions from our consideration of higher education? Why should schools like Cal State Los Angeles and East Los Angeles College located in my district be treated differently than any other college in our country?

Two of my heroes in government were educated there in East Los Angeles College. I am talking about Gloria Molina, the first Latina ever elected as Los Angeles County Supervisor, and a former member of Congress, Esteban Torres, who was a Member of this body.

Do we want to send a message that these schools and their graduates are somehow less than any other college or university as we do not think so? I urge Republicans to rethink this proposal and to send the right message; that, in the 21st century, all schools deserve a level playing field.

PROVIDING FOR CONSIDERATION OF H.R. 333, BANKRUPTCY ABUSE PREVENTION AND CONSUMER PROTECTION ACT OF 2001

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call upon House Resolution 71 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 71

Resolved, That at any time after the adoption of this resolution, the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 333) to amend title 11, United States Code, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. The amendments recommended by the Committee on the Judiciary now printed in the bill shall be considered as adopted in the House and in the Committee of the Whole and that the bill, as amended, shall be considered as the original bill for the purpose of further amendment and shall be considered as read.

The rule waives all points of order against provisions in the bill as amended and makes in order only those amendments printed in the Committee on Rules report accompanying the resolution. It provides that amendments made in order may be offered only in the order printed in the report and may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report divided equally and controlled by the proponent and opponent, shall not be subject to amendment, and shall not be subject to a demand for the division of the question in the House or in the Committee of the Whole.

The rule also waives all points of order against the amendments printed in the Committee on Rules report.

Finally, the rule provides one motion to recommit with or without instructions and provides authorization for a motion in the House to go to conference with the Senate on the bill, H.R. 333.
We must end the days when debtors who are able to repay some portion of their debt are allowed to game the system to take advantage of those laws. Instead, this bill is crafted to ensure the debtor’s rights to a fresh start while protecting the system from flagrantly undeserving false claims from those who can pay their bills.

This should not be a controversial issue because Congress has spoken many times on this issue before today. Two Congresses ago, in the 105th Congress, the House and the Senate passed different versions of bankruptcy reform legislation. The House agreed to the conference report that was negotiated on October 9, 1998, by a vote of 300 to 126. During the 106th Congress, both the House and the Senate overwhelmingly approved bankruptcy reform legislation, also on a bipartisan basis. The House passed H.R. 833 by a vote of 313 to 108 in May of 1999 and later passed the conference report by voice vote on October 12, 2000. Each time the bankruptcy reform legislation has received overwhelming support from both sides of the aisle. The Senate also voiced its strong support and passed the conference report vote of 70 to 28. Unfortunately, President Clinton chose to pocket veto this bill.

That is why we are here again today, Mr. Speaker. The legislation that we consider today is virtually identical to the one that passed the House in the 106th Congress.

There is a great need for this bill now. According to statistics released by the Administrative Office of the United States Courts, bankruptcy filings reached an all-time high of more than 1.4 million in 1998. The debts that remain unpaid as a result of those bankruptcies cost each American family that did pay their bills on time $400 a year in the form of higher cost for credit and services. Unfortunately, much of the debt that was eventually passed on to consumers last year was debt that bankruptcy filers could have afforded to pay. They simply did not because of the current opportunities under the law. That is why it is so important for us today to pass real bankruptcy reform.

Without serious reform of our bankruptcy laws, these trends promise to continue growing, as they have every year, making them even more in the form of losses and higher costs of credit. As we debate and vote today, we should keep in mind two important tenets of the bankruptcy reform:

- number one, the bankruptcy system should provide the amount of debt relief that an individual needs, no more and no less; and,
- number two, bankruptcy should be the last resort and not a first resort to financial crisis. It should not become a way of life.

Opponents of this bill have tried to divert the discussion away from the merits of the bill and claim it would make it more difficult for divorced women to obtain child support and allow payments. However, nothing could be further from the truth. This bankruptcy reform bill protects the financial security of women and children by giving them higher priority than today’s law. The legislation closes loopholes that allow debtors to use the current system to delay, or even evade, child support and alimony payments. The bill recognizes that no obligation is more important than that of a parent to his or her children.

Currently, child support payments under today’s law are the seventh priority behind such things as attorney’s fees. Make no mistake about this. H.R. 333 puts women and children first at the top of the list. We should provide greater protection to families who are owed child support, and this bill will do just that.

One important part of this legislation is known as the “homestead provision.” Protection of one’s home is something that is very important to myself, the gentleman from Texas (Mr. FROST), who will be speaking in just a minute on behalf of the minority, and also our constituents in Texas. The homestead provision maintains the long-held standard that allows the States to decide if homestead should be protected, yet stops those who purchase a home before filing bankruptcy as a means to evade creditors.

The bill also addresses other problems, including needs-based bankruptcy. The heart of this legislation is a needs-based formula that separates filers into chapter 7 or chapter 13 based on their ability to pay. While many families may face job loss, divorce, or medical bills and, therefore, legitimately need protection provided by the bankruptcy code, research has shown that some chapter 7 filers actually have the capacity to repay some of what they owe. Needs-based reform says that if someone can reasonably repay some of their debts, they should. This does not mean that the debtor cannot declare bankruptcy, but merely that the debtor chooses chapter 13 rather than chapter 7 to repay some of the debt if he or she is able to do so.

This bill also recognizes the need for consumer education and protection. It includes education provisions that will ensure that debtors are made aware of their options before they file for bankruptcy, including alternatives to bankruptcy, such as credit counseling. And the bill cracks down on bankruptcy mills, law firms, and other entities that push debtors into bankruptcy without fully explaining the consequences.

Finally, the bill also imposes new restrictions and responsibilities upon credit providers preventing creditors from getting in over their heads. For example, the bill requires creditors to disclose more about the effect of paying only the minimum payment and establishes new creditor penalties for abusive debt and faith bankruptcy settlements with debtors.

Mr. Speaker, I am proud of this bill. This resolution will bring bankruptcy reform to the House of Representatives. The rule allows for full and fair debate on the underlying measure, as well as adequate opportunity for those who oppose the legislation to offer amendments. I urge my colleagues to support this rule and H.R. 333.

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

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

Mr. Speaker, I have long been a supporter of bankruptcy reform, and I support the bill before us today. I am, however, concerned that the Committee on Rules majority has started the year by denying Democratic Members the opportunity to offer amendments to this significant legislative proposal. Granted, the bill before us is identical to the bill vetoed by the President last year; but at the same time, we do have a deliberate process in this body that is being stifled by the majority. Just as we were in intent on considering massive tax cuts before we have even received a real budget from the President, much less before we have a budget debate on the Hill, the majority has once again subverted the process.

Mr. Speaker, as I said, I am a supporter of this bill, but there are issues that deserve to be heard and debated. This rule makes in order six amendments. Democrats are grateful the Republican majority has at least seen fit to give the bill a substitute, but it is not significant amendments offered in the Committee on Rules yesterday are not included in this list of six.

For example, the gentleman from Michigan (Mr. COUVENS), the ranking member of the committee, offered an amendment, along with the gentlewoman from New York (Ms. Slaug-
Mr. Speaker, Democrats are not here to subvert the process. We have constituencies to represent and real problems to address. We can only hope in the coming months that we will be allowed to do that as we consider legislation that is vital to our country and to the people we represent.

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

Mr. SESSIONS. Mr. Speaker, I yield 1½ minutes to the gentleman from Wisconsin (Mr. SENSENBERGREN), the chairman of the Committee on the Judiciary.

Mr. SENSENBERGER. Mr. Speaker, I rise in strong support of this resolution, an order of business resolution, providing for the consideration of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.

I want to commend the gentleman from Texas (Mr. SESSIONS); the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules; and other members of this Committee on Rules for reporting a fair, balanced, and appropriate rule for consideration of this important bankruptcy reform bill.

Mr. Speaker, this rule is not unlike rules issued in the 105th and 106th Congress providing for the consideration of bankruptcy reform bills. This structured rule provides ample time for debate and consideration of opposing views. It makes in order one minority substitute and provides two hours of debate on that substitute. It also makes in order a technical amendment which I will be offering which will make some minor technical corrections in the bill.

Mr. Speaker, this is a good rule and I urge the Members to support this resolution.

Mr. FROST. Mr. Speaker, I yield 7 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

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

Mr. Speaker, this bill represents an ill-considered change in public policy that totally advantages some creditors, particularly large credit card issuers, over families that seek bankruptcy relief because of financial catastrophes caused by major medical expenses, divorce, job loss, death of the family breadwinner and the like. In fact, it was the former chairman of the Committee on Banking, Finance and Urban Affairs from Illinois (Mr. HYDE), that pointed out last year during the course of this debate that there were 75 consumer creditor enhancements in this bill. It also advantages the sophisticated debtor who has accumulated so-called “exempt assets” to the detriment of the unsophisticated debtor who has no assets and is earning $40,000, $45,000, or $50,000 a year trying to put bread on the family table.

The American people should know that there are people living in a mansion in Florida worth millions, have an individual retirement account of up to $1 million, have annuities worth additional millions of dollars, receive a nice big fat pension and not worry, because these assets are exempt and creditors cannot touch them.

But if you do not have any so-called exempt assets and are barely making it and genuinely need bankruptcy relief, woe is you. Those credit card companies will be able to chase you forever.

Mr. Speaker, I urge the Members to support this resolution.

Mr. Speaker, our previous speaker, who is a very good friend of mine, was speaking about credit card debts, was speaking about who would and would not get relief under this bill. I would like just to state that the purpose of this bill is to allow all Americans the opportunity to file bankruptcy. The gentleman indicated that credit card companies would stay after that little guy for forever.

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

Our previous speaker, who is a very good friend of mine, was speaking about credit card debts, was speaking about who would and would not get relief under this bill. I would like just to state that the purpose of this bill is to allow all Americans the opportunity to file bankruptcy. The gentleman indicated that credit card companies would stay after that little guy for forever. But, in fact, that is not true. Because if the little guy that was in reference to, unless they had a nondischargeable debt, meaning that they took on this credit card debt fraudulently, immediately upon filing for bankruptcy they would get the relief, just like anyone else in this country.

We are not after the little guy. We are trying to do the right things for everybody. And so whether you did have a pension or whether you were a little guy, we would offer that same protection.

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

Mr. SESSIONS. I yield to the gentleman from Massachusetts.

Mr. DELAHUNT. Mr. Speaker, again let me be very, very clear. The priority that is now given to credit card debt under this proposal is vastly different and much of that debt will become nondischargeable and we will be chasing people for $80 a month while others are living, with these exempt assets, the life of luxury. That is totally wrong and unconscionable.

Mr. SESSIONS. I appreciate the gentleman’s help. In fact, I believe that a nondischargeable debt, as most of them are now, would simply be put on hold and so it would not be cost effective to chase after $80 for forever, nor would it be appropriate and right. Nor would it be allowed under this law.

Mr. Speaker, I yield 2½ minutes to the gentleman from Palm Bay, Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I yield the gentleman for yielding me this time.

Mr. Speaker, I rise in support of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001. In recent years despite the trends downward, bankruptcies remain too high. I remain deeply troubled by this. I am very concerned that filing for bankruptcy continues to be much higher than it should be and I believe that today many Americans are filing for bankruptcy again as a financial planning tool.

Filing for bankruptcy should be reserved for those Americans who have been generally responsible but have gotten in over their heads primarily for circumstances that they could not control, such as the loss of a job, high
medical bills, a disability in the family that puts a tremendous strain on the family budget, and other such circumstances.

Earlier this week, I had the members of the credit unions in the State of Florida come into my office. As we all know, credit unions are member-owned, non-profit financial institutions, owned by working people. They support this bill. Why is that the case? Because they are increasingly seeing bankruptcies of convoluted type bankruptcies used as a financial planning tool. These are people who have been often irresponsible in their spending habits.

And who picks up the tab for these bankruptcies of convenience? All of the other members of the credit union, through higher interest rates and reduced benefits. Just to cite as an example what the credit unions are telling me that they are seeing more and more often is people who run up large credit card bills at places like Disney World, on trip to theme parks and trips to very, very nice hotels in the days and weeks prior to them filing for bankruptcy. Meanwhile, thousands of other hardworking Americans in those credit unions do not go to those kinds of places because they cannot afford it. But nonetheless they are paying for those trips by those people.

I realize that this is a very difficult issue, but I believe that the bill that we have on the floor today strikes the proper balance. It is a good bill. It protects consumers. That is what we should be primarily concerned about. It protects all Americans fairly. I encourage all my colleagues to support this rule, which is a very, very fair and good rule, and support the underlying bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. SCHIFF).

Mr. SCHIFF. Mr. Speaker, I rise in opposition to this rule. During committee consideration, I offered several amendments to correct oversights in the bill. These amendments were of a relatively minor character. The first would provide that when someone, for example, is legally separated from their spouse and files individually for bankruptcy, that we would not consider the separated spouse’s income in determining whether the person filing for bankruptcy met the means test. As a practical matter, if someone is legally separated and has no access to the assets of the other spouse and yet that other spouse’s assets are considered in the means test, they will not qualify for chapter 7. That is not appropriate. I am really astounded that this provision was taken out of the manager’s amendment. During the committee hearing, the sponsor of the bill indicated that he thought that there was likely merit to this amendment.

The second that I offered would provide for a GAO study to determine the impact on child support, whether this will make it more difficult for people to collect child support. That was also rejected, a mere study of the issue. I do not know what we are afraid of. If we have a study of the issue and it finds, as the proponents of the bill say, that this has no net adverse impact on women trying to collect child support, then great. But if a year goes by and the study is conducted and it finds there are problems, we can then address them. What are we afraid of? Why are we afraid to find out the answer to those questions?

I am hopeful this bill comes back from conference with the Senate in a different form. Many of us would like to support this bill. This bill has many important bankruptcy reforms in it. Many of us believe bankruptcy reform is vital. There are some positive things on child support in this bill, like relief from the automatic stay. But if even these minor issues that could ultimately be very important are rejected out of hand as they are in this rule, then we should be delegating to the Senate to do the meaningful work on the bill. We are delegating to the Senate to decide what amendments should be taken and what not, what form the bill ought to be. I hope that this pattern would not persist with other legislation as well or we will really be delegating our responsibility to the other House.

In conclusion, Mr. Speaker, I would urge opposition to this rule and in the future, I hope there are amendments that are acknowledged in committee as probably having merit, where suggestions such as a study are made, that they would be considered in order. I thank the Members for their consideration.

Mr. SESSIONS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Columbus, Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank my good friend from Texas and my colleague on the Committee on Rules for yielding me this time.

I rise in strong support of this balanced rule and for the underlying legislation.

Mr. Speaker, we have before us a fair and evenhanded rule that will allow us to consider important legislation to reform our Nation’s bankruptcy system. This bankruptcy reform legislation will remedy weaknesses in existing law that allow taxpayers to escape their responsibilities even when they are able to repay a portion of what they owe. This bill will take steps to eliminate what we call the bankruptcy of convenience. At the same time, the legislation will protect those who are truly needy and in need of a second chance to maintain their ability and obtain a fresh start.

Further, the legislation contains important protections for children and spouses who are owed child support and alimony. By allowing child support collection agencies with the necessary tools and codifying the importance of child support and alimony obligations, this legislation will increase our commitment to children and families and will hold parents, husbands and wives to their responsibilities.

Mr. Speaker, the American public has indicated their desire for bankruptcy reform and in the Congress just last year demonstrated its strong support in passing very similar bankruptcy legislation reform, with 313 bipartisan votes. Today, we build upon our past success and take an important step forward toward finally enacting these needed reforms into law.

The administration has already stated its support for this overall package and recognizes the need to curb many of the abuses of the current bankruptcy protections. I urge my colleagues to support this fair and balanced rule as well as passage of this important legislation.

Mr. FROST. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

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

In closing today, I would like to say that the Bankruptcy Abuse Review Commission was created in 1994 and filed its report in 1997. It was composed of people who were on the front lines, not only bankruptcy judges but also trustees from all across the country as well as those who were interested in small business, consumers and others. They have provided us feedback that we have included in this bill today. Today I had an opportunity to speak with the trustee of the Northern District of Texas and the Eastern District of Texas, Bill Neary.

Mr. Neary provided me information and feedback that, in fact, he believed that the most complete, up-to-date opportunities that they are seeing in the marketplace today are included within this bill.

A good rule that we are talking about is fair. It is doing the right thing. It will support the underlying legislation.

Mr. SENSENBRINNER. Mr. Speaker, at the request of the Committee on Financial Services, I hereby submit for the RECORD correspondence between that Committee and the Committee on the Judiciary regarding the Financial Services Committee’s agreement to waive its consideration of H.R. 333, the “Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.”

Hon. F. James Sensenbrenner, Jr., Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.

DEAR JIM: On February 14, 2001 the Committee on the Judiciary ordered reported H.R. 333, the “Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.” As you know, the Committee on Financial Services was granted an additional referral upon the bill’s introduction pursuant to the Committee’s jurisdiction under Rule X of the Rules of the House of Representatives over banks and banking, credit, and securities and exchanges. Because of your willingness to consult with the Committee on Financial Services,
regarding this matter, your continuing support for our requested changes, and the need to move this legislation expeditiously. I will waive consideration of the bill by the Financial Services Committee. By agreeing to waive its consideration of the bill, the Financial Services Committee does not waive its jurisdiction over H.R. 333. In addition, the Committee on Financial Services reserves its authority to seek conference on any provisions of the bill that are within the Financial Services Committee’s jurisdiction during the conference that may be convened on this legislation. I ask your support to commit any request by the Committees on Financial Services for conferences on H.R. 333 or related legislation.

I request that you include this letter and your response as part of your committee’s report of the Committee on the Judiciary on H.R. 333 during consideration of the legislation on the House floor. Thank you for your attention to these matters.

Sincerely,

MICHAEL G. OXLEY, Chairman.

COMMITTEE ON THE JUDICIARY,

Hon. Michael G. Oxley,
Chairman, House Committee on Financial Services,
Rayburn House Office Building, Washington, DC.

Dear Mike: This letter responds to your letter dated February 21, 2001, concerning H.R. 333, the “Bankruptcy Abuse Prevention and Consumer Protection Act of 2001” which was favorably reported by the House Committee on the Judiciary on February 14, 2001. I agree that the bill contains matters within the Financial Services Committee’s jurisdiction and appreciate your willingness to be discharged from further consideration of H.R. 333 so that we may proceed to the floor. Pursuant to your request, a copy of this letter will be included in the record of the Committee on the Judiciary on H.R. 333.

Sincerely,

F. James Sensenbrenner, Jr., Chairman.

Mr. LaFalce. Mr. Speaker, I rise in opposition to the Rule. I had hoped that the House would have had an opportunity to debate the amendment sponsored by myself and Representatives NADLER, NADLER, and Biggert, that would have addressed the very serious problem of misleading and deceptive credit card practices. It is extremely disappointing that the Rule only provides for a handful of amendments. But, the Rule is thereby consistent with the history of this legislation, for H.R. 333 is the product of a shadow conference, not full congressional deliberations, where issues important to consumers and working families could have been seriously considered. The Financial Services Committee never availed itself of the opportunity to review the bill, although it contains significant changes to the Truth in Lending Act.

The bill is not balanced. H.R. 333 attempts to deal with the results of the increasing level of consumer bankruptcies. But the bill fails to deal adequately with one of the principal causes. That is the aggressive promotion of consumer debt by credit card companies, without any attention to reasonable underwriting standards, and increasingly targeting at vulnerable populations that can neither afford nor repay it. As policymakers, we cannot expect consumers to willingly assume the greater financial responsibility contemplated under this bill unless we also simultaneously protect them from abusive practices which unfairly trap them into debt they can ill afford.

Our amendment addresses credit card company practices that directly contribute to the increasing level of consumer debt and the rise in consumer bankruptcies. It goes beyond the traditional emphasis on disclosure and provides stronger protections for all consumers against credit card company practices that are at the very least misleading and, often, intentionally deceptive. In particular, it addresses the concerns of populations which have proven to be most vulnerable. People in their twenties are the fastest growing group filing for bankruptcy. To a large degree, that is the result of aggressive targeting of students and young people just starting out in life by credit card companies that trap them into a cycle of debt before they have adequate income to sustain it.

The few provisions in H.R. 333 that attempt to address this issue are inadequate and may turn out to be illusory because their effective date could be delayed indefinitely through a mandatory regulatory process. The credit card industry is asking Congress for relief from allegedly inadequate bankruptcy statutes. Congress should not consider such relief unless it also relieves vulnerable consumers of the burden of abusive credit card company practices. We must do a better job of bringing balance to this bill, and ensuring that credit card issuers take responsibility for their own actions that have helped to create the consumer debt problems that America faces today.

I urge that my colleagues vote against this Rule, and let the Committees do their job and hold full and fair hearings on these issues.

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

The previous question was ordered. The SPEAKER pro tempore (Mr. Quinns). The question is on the resolution.

The question was taken; and the vote on the ground that a quorum was not present. The SPEAKER pro tempore (Mr. Jenkins). The previous question was ordered.

The question was taken; and the vote on the ground that a quorum was not present.
Resolution 71 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 333.

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IN COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 333) to amend title 11, United States Code, and for other purposes, with Mr. QUINN in the chair.

The Clerk reads the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from Michigan (Mr. CONYERS) each will control 30 minutes.

Mr. RODGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their reconsideration, and that all Members may have 5 legislative days within which to revise and extend their reconsideration.

There was no objection.

Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, this bill is a bipartisan, balanced, and comprehensive package of reform measures pertaining to both consumer and business bankruptcy cases. The purpose of the bill is to improve bankruptcy law and practice by restoring personal responsibility and integrity in the bankruptcy system, and to ensure that the system is fair to both debtors and creditors.

With respect to its consumer provisions, H.R. 333 responds to several significant developments. One of these developments was the dramatic increase in consumer bankruptcy filings during the 1990s and the losses associated with those filings. Based on data released by the Administrative Office of the United States Courts, bankruptcy filings increased by more than 72 percent between 1994 and 1998. Mr. Chairman, for the first time in our Nation's history, bankruptcy filings exceeded 1 million in 1996. In calendar year 1997 alone, bankruptcy filings increased by more than 19 percent over the prior year. By 1998, the number of bankruptcy filings, according to the AO, reached an all-time high of more than 1.4 million cases. Although the most recent reports indicate that filings have somewhat decreased, the Administrative Office states they remain well above the 1 million mark. Paragraphically, this dramatic increase in bankruptcy filing rates has occurred during a period when the economy was generally robust, with relatively low unemployment and high consumer confidence.

Coupled with this development was the release of a study estimating that financial losses attributable to bankruptcy filings in 1997 exceeded $44 billion. The committee received testimony in the last Congress stating that this figure, when amortized on a daily basis, amounts to a loss of at least $110 million a day.

Please note, those of us who pay our bills as we have agreed end up having to absorb these losses through higher costs and bank fees and interest rates. Various other studies cited which thereafter became available concluded that some bankruptcy debtors can in fact repay a significant portion of their debts.

The heart of H.R. 333's consumer bankruptcy provisions is the implementation of an income-expense screening mechanism, usually referred to as a means-based or means test reform.

These provisions are designed to ensure that debtors repay creditors the maximum they can afford.

In addition, the bill institutes significant consumer protection reforms, including mandatory credit counseling requirements and specific disclosures in connection with certain credit transactions.

The reforms are aimed to help debtors understand their rights and obligations both with respect to reaffirmation agreements are also included in the legislation.

In addition, the legislation substantially expands the debtor’s ability to exempt certain tax-qualified retirement accounts and pensions. It also creates a new provision that allows a consumer debtor to exempt certain education IRA and State tuition plans for his or her child's postsecondary education from the claims of creditors.

Most importantly, H.R. 333 requires debtors to participate in credit counseling programs before they file for bankruptcy relief, unless special circumstances do not permit such participation. The legislation’s credit counseling provisions also require creditors to educate consumers about the consequences of bankruptcy, such as the potentially devastating effect it could have on their credit rating, and to provide them with guidance about how to manage their finances so that they can avoid future financial difficulties.

Mr. Chairman, the bill also makes extensive reforms pertinent to business bankruptcies. Many of these provisions are intended to heighten administrative scrutiny and judicial oversight of business bankruptcy cases. In addition, the bill includes provisions designed to reduce systemic risk in the financial marketplace and to clarify the treatment of tax claims in bankruptcy cases. H.R. 333 also creates a new form of bankruptcy relief for transnational insolvencies and includes provisions regarding family farmer debtors and health care providers.

It should be noted that this bill is a product of more than 3 years of congressional consideration of bankruptcy reform legislation. As reported to the House, H.R. 333 is virtually identical to the conference report on H.R. 2415, the Gekas-Grassley Bankruptcy Reform Act of
To those who allege the bill protects alimony and child support, I would ask them if they know that the bill creates major new categories of nondischargeable debt that compete directly against the collection of child support and alimony payments. Mr. Chairman; whether to the same bill allows landlords to evict battered women without bankruptcy child support approval, even if the eviction poses a threat to the women’s physical well-being; whether they are aware that the bill for the first time involves in bankruptcy to file personal information with the court, which is then placed on-line where the whole world has direct access to it.

To my modest efforts to correct the bill and the problems, we were ruled out of order. It was considered to be unworthy of debate in the House.

To those who assert the bill cracks on credit card abuse, I would ask them to look at the meaningless protections included in the bill to realize that the bill does absolutely nothing to discourage abusive underlying nothing, to discourage reckless lending to the developmentally disabled, yes, and nothing to regulate the practice of so-called subprime lending to persons with no means or little ability to repay their debts.

Then some suggest the bill fixes the problem of homestead exemption abuse. I would suggest that rather than repeal or even cap the homestead exemption, the bill places only weak obstacles in its place. The bill does nothing to prevent the very worst abuses in the Bankruptcy Code, such as when financiers and criminals void tens of millions of dollars in debt, while they live high on the hog in their multimillion dollar mansions. They can still do it under this bill. Again, the majority would not even allow us an amendment to try to eliminate the abuses.

To those who say this bill streamlines and expedites business bankruptcies, look at title 4, which adds numerous new paperwork burdens, imposes arbitrary deadlines, and makes it far more likely that struggling businesses, especially small ones, will be forced to liquidate and terminate workers.

And so it is amazing that Congress is taking these actions at a time when we are in the middle of an economic slowdown. It is like pouring gasoline on a fire of economic uncertainty. I am ashamed of this legislation.

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

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at a time when our electoral system is in tatters, voter reform ignored, our campaign finance laws riddled with loopholes, our seniors in desperate need of prescription drug coverage, our minimum wage laws unadjusted for 6 years, the first major bill the Republican majority brings to this floor is bankruptcy. Not just any bankruptcy bill, a bill that massively tilts the playing field in favor of creditors and against the interests of ordinary consumers and workers. A bill opposed by every consumer group, by the bankruptcy judges and trustees themselves, by organized labor, by every major group concerned about seniors, women, children, victims of crime, this is the first bill we bring to the floor in the 107th Congress.

To all of my friends on both sides of the aisle who tell me that this bill is balanced and fair, I have one response, read the bill and understand it.

To those who argue the bill only punishes wealthy debtors or fraudulent debtors, check out how the bill gives creditors massive new rights to bring threatening court motions against low-income debtors. Read how the bill permits credit card companies to reclaim common household goods which are of little value to them, but of every value to the consumer. Read how the bill makes it more difficult for people below the poverty line to keep their house or their car in bankruptcy.

This bill is the product of extensive negotiation and compromise, as well as an exhaustive and amendatory process. In the last Congress alone, the House and Senate engaged in nearly 7 months of negotiations to reconcile the differences in their respective bills. The product of these exhaustive efforts was the conference report on H.R. 2415, which is virtually identical to this bill.

Mr. Chairman, this is a balanced, bipartisan and comprehensive reform measure that prevent the costly exploitation of our bankruptcy system, while protecting those debtors truly in need of bankruptcy protection.

Mr. Chairman, I urge my colleagues to support this important legislation.

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

Mr. CONYERS. Mr. Chairman, I yield 4 minutes to the gentleman from Texas (Mr. ARMEY), the ranking member of the Committee on the Judiciary, for the purpose of personal explanation.
would have been a very simple and gracious way to begin the collaborative uniting that has been so eloquently spoken to by many in this country; but, yet, we took the ice skating rinks of the Nation and we got on some ice skates and we called it bankruptcy.

Before we could even hear the state of the budget, almost before the inauguration, this bill was skidding to victory, a bill that brakes the backs of working women, disappoints children and discourages people who are truly trying to do the right thing from getting their life back in order.

Let me simply suggest to you that this is what we are confronting, “Debt smother young Americans,” the USA Today article says. “As a freshman at the University of Houston in 1996, Jennifer Massey signed up for a credit card and got a free T-shirt. A year later, she had piled up about $20,000 in debt and 14 credit cards. Jennifer is not a deadbeat. She is a young women in college, seeking a job, paying their rent and responding to the abusive solicitation by our credit card companies.”

One mode of collaboration could have been that in this bill we would have had responsible restrictions and requirements on our credit card companies to educate those who utilize credit. Yes, I think it is good that mom and dad can train a young child and get them to be responsible and pay their debts. It is great. How many of us have tried that?

Mr. Chairman, I have a young 21-year-old in college in America, and the T-shirts are just flowing there from credit card companies attempting to sign up students, and the T-shirts look pretty. They look like the one I am holding. Some are blue and pink, and they come in all colors.

This is a bad bill because it has a means test that says we are going to be guided by the IRS standards. We are going to test you and you give a SAT and LSAT before you go into bankruptcy court. They say we know the difference when there is frivolous law-suit. We know when deadbeats are trying to get out of paying their debts.

What about Jennifer. Her parents may not have known she was signing up. What about women and children and dads who have custody of children and need alimony and need child support. This is a horrible bill.

What this bill does is it presents a competition, a world boxing match between the credit card companies and those who are trying to get alimony and child support from the bankrupt debtor. It says you have got to get out and fight with a lawyer before you can get prioritization. It does not prioritize alimony and child support. It is a mis-representation to that. This hurts women and children do the right thing.

Mr. Chairman, I include for the RECORD an article and a letter signed by the American Association of University Women, Children NOW, Children’s Defense Fund, Center for Law and Social Policy, among others, that says we cannot survive. This is a bad bill. This is not a uniting bill. This is bad for America.

The material referred to is as follows:

(From USA Today, Feb. 13, 2001)

DEBT SMOTHERS YOUNG AMERICANS

As a freshman at the University of Houston in 1995, Jennifer Massey signed up for a credit card and got a free T-shirt. A year later, she had piled up about $20,000 in debt on 14 credit cards.

Paige Hall, 34, returned from her honeymoon in 1997 to find herself laid off from her job at a mortgage company in Atlanta. She was out of work. She and her husband, Kevin, soon were trying to figure out how to pay $18,200 in bills from their wedding, honeymoon and furnishings for their new home.

By the time Mistie Medendorp was 29, she had $10,000 in credit card debt and $12,000 in student loans. Like no other generation, today’s 18- to 35-year-olds have grown up with a culture of debt—a product of easy credit, a booming economy and expensive lifestyles.

They often live paycheck to paycheck and use credit cards and loans to finance restaurant meals, high-tech toys and new cars that they couldn’t afford, according to market researchers, debt counselors and consumer advocates.

“Lenders are much more willing to take a risk on people under 25 than they were 15 years ago,” says Nina Prikazsky, a vice president at student loan corporation Nellie Mae. “They will give our credit cards based on a college student’s expected ability to repay the bills.”

Young people are taking advantage of the offers. A study out today from Nellie Mae shows that the average credit card debt among undergraduate students increased by nearly $1,000 in the past two years. On average, they owed $2,748 last year, up from $1,879 in 1998.

At a time when they could be setting aside money for a down payment on a home, many young people are mortgaging their financial future in credit card debt. Start on campus saving for retirement, they are spending years digging themselves out of debt.

“I knew for a while that I had a problem. I wouldn’t say I was living high on the hog, but when I wanted clothes, I’d buy a new outfit,” says Medendorp, an Atlanta resident. “I’d go out to eat and charge it on my cards. There were a bunch of small expenses that added up and got out of control.”

Massey, Hall and Medendorp each ended up seeking help from a local consumer credit counseling service. Hundreds of thousands more young people like them are turning to credit counseling or bankruptcy because they can’t catch their bills.

In 1999 alone, an estimated 461,000 Americans younger than 35 sought protection from their creditors in bankruptcy, up from about 380,000 in 1998, according to Harvard Law School professor Elizabeth Warren, principal researcher in a national survey of debtors who filed for bankruptcy.

At the Consumer Credit Counseling Service of Greater Denver, more than half of all the clients are 18 to 35 years old, says Darrin Sanvold, director of operations. On average, they have $12,000 more debt than all other age groups, he says.

“By the time they begin to settle into a suburban lifestyle, they are barely able to meet their expenses,” Sanvold says. “If there is a job loss, an unexpected medical expense or the birth of a child, they supplement their income with credit cards. Soon they are being financially crushed.”

DEBT HEADS

Unlike the baby boom generation—raised by Depression-era parents—young Americans today are often undaunted by the amount of debt they carry.

“This generation has lived through a time when everything was on the upswing,” says J. Walker Smith, president of Yankelovich Partners, a market research firm. “There is no sense of worry about being over-lever-aged. It all seems to work out.”

Brian Jackson, a 32-year-old software engineer in Denver, has about $8,000 in credit card debt and a $20,000 home-equity loan. He doesn’t believe he has a debt problem, though his goal is to reduce his credit card balance to $2,000.

“You learn to live with a certain amount of debt,” he says. “It’s a means to an end. There is something to be said for paying for everything and something to be said for enjoying life, as long as you do it responsibly.”

Unfortunately, enjoying life can be expensive, especially for many young Americans who feel it is essential to have the latest high-tech products and services, such as a cell phone, pager, computer with a second phone line or a DSL connection, an Internet service provider and a Palm Pilot.

Jackson just bought a DVD player and a big-screen TV. “I try to control costs,” he says. “I easily could have spent $5,000 on the TV, but instead I paid $2,000 and I got a year’s worth of interest deal.”

Movies, TV shows and advertising only reinforce the idea that young people are entitled to have an affluent lifestyle. “We’re encouraged to overspend,” says James Anthony, 31, co-author of Debt-free by 30, a book he wrote with a friend after they found themselves drowning in debt.

“We all see shows like Melrose Place and Beverly Hills 90210. It creates tremendous pressure to keep up. I’m one of the few persons who think a recession will be good for my generation. Our expectations are so elevated. In the frenzy to keep up, we’ve gotten into financial trouble,” he says.

THE PERILS OF PLASTIC

Consumers like Massey, who get bogged down in credit card debts, even if they are even graduate from college, learn the hard way about managing money. Now, 24 and married, Massey has a good job in marketing. She sat up her credit cards and is gradu-

ally repaying her debt. However, there have been consequences: She had to explain to her boss that because she no longer has a credit card, she cannot travel for work if it in-
volves renting a car or booking a hotel res-
ervation on her own. She had to tell her hus-
band about her debt problems before they were married.

“I lack confidence now,” Massey says. “I’m hard on myself because of my mistakes. But I blame the credit card companies and the university for not doing something to promote the cards on campus without educating students about credit.”

A conference of 17,000 undergraduate college students with a credit card jumped from 67% in 1998 to 78% last year, according to the Nellie Mae study. And many of them are filling their cards to their limit, according to the study. They had four or more cards, up from 27% two years earlier.

Although graduate students have an even bigger appetite for credit, Massey warns, to show signs of restraint. Their average debt declined slightly from $4,925 in 1998 to $4,716 last year. Nellie Mae says.

Many are saddled with credit card debts for years, experts say. Among all age groups, credit cardholders

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young people are falling behind. Between 1995 and 1998, the median net worth declined from $12,700 to $9,000, according to the Federal Reserve.

Karen Mann didn’t need a survey to come to that conclusion. Her husband, Michael, is about to start his career as an orthopedic surgeon at a private university jumped to $16,332 last year but is lower and one has an asset that can be sold if necessary.

Karen, 31, and her family are not alone in having to defer payments against reproductive health clinics to use the bankruptcy system to avoid paying thousands of women forced into bankruptcy, and those who are affected by the bankruptcy system will find it harder to regain their economic stability through the bankruptcy process. And single parents facing financial crises—often caused by divorce, nonpayment of support, loss of a job, uninsured medical expenses, or domestic violence—would find it harder to regain their economic stability through the bankruptcy process.

Mr. Chairman, I was not able to finish my points yesterday, however, in the interest of justice for the thousands of women and children who are forced into bankruptcy, and those who are affected by the bankruptcy system will find it harder to regain their economic stability through the bankruptcy process. And single parents facing financial crises—often caused by divorce, nonpayment of support, loss of a job, uninsured medical expenses, or domestic violence—would find it harder to regain their economic stability through the bankruptcy process.

By almost every measure, young people are facing financial crises often caused by divorce, nonpayment of support, loss of a job, uninsured medical expenses, or domestic violence. The bankruptcy bill takes a harsh approach toward working families who fall on hard times. At the same time, it does little to curb the bankruptcy system, such as concerted efforts by those convicted of violence, vandalism, and harassment against reproductive health clinics to use the bankruptcy system to avoid paying the judgments and penalties resulting from their illegal acts.

We urge you to vote against H.R. 333, and to insist on bankruptcy reform that is truly fair and balanced.

Very truly yours,

Mr. Chairman, the issue of bankruptcy reform has been a heated topic of debate in this body since the first session of the 105th Congress, when shortly before the National Bankruptcy Review Commission issued its report recommending changes to the current bankruptcy laws; legislation was introduced to dramatically change the way in which consumer bankruptcies are administered under the U.S. Code, 11 U.S.C. sec. 101 et seq. Both the House and Senate versions of the bill in the second session of the 105th Congress and a conference report were filed shortly after. The House agreed to the conference report version of the bill by a vote of 300 to 25 on October 9, 1998, but this bill, which then President Clinton threatened to veto, was not brought before the Senate for a vote prior to adjournment.

This legislation was again reintroduced in the 106th Congress and was passed by voice vote in the House and Senate, when shortly before the National Bankruptcy Reform Commission issued its report recommending changes to the current bankruptcy laws; legislation was introduced to dramatically change the way in which consumer bankruptcies are administered under the U.S. Code, 11 U.S.C. sec. 101 et seq. Both the House and Senate versions of the bill in the second session of the 105th Congress and a conference report were filed shortly after. The House agreed to the conference report version of the bill by a vote of 300 to 25 on October 9, 1998, but this bill, which then President Clinton threatened to veto, was not brought before the Senate for a vote prior to adjournment.

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Very truly yours,
As I have already mentioned, in assessing bankruptcy reform we must balance two key principles. First, debtors must not be allowed to use the law to avoid repaying loans when they can actually afford to do so; and second, debtors should not be forced into serious hardship. Efforts to implement these two ideas into the bankruptcy law have failed. The statute of Anne, enacted in 1705, was the first such effort. It introduced the idea of the fresh start into our law and punished those who abused the bankruptcy with death by hanging. In the bill before us today, the sponsors sought to provide more protection for those who are unable to pay the debts they owe. This is worthy of a fresh start from those who abuse the system, but it is this very goal that they have failed to accomplish.

In reviewing H.R. 333, I was reminded of a hypothetical given by Douglas Baird, a law professor at the University of Chicago on H.R. 333’s predecessors in the 105th and 106th Congresses stating that those bankruptcy reform bills would fail to balance the two competing goals that are the base of bankruptcy reform. The same is the case with H.R. 333 today.

Professor Baird’s hypothetical considers an elderly woman living in Florida who returned to the workforce several years after her husband became ill and died. She makes $30,000 annually as a secretary and she has not taken a vacation in over a decade. She rents a one-bedroom apartment and owes $60,000, much of which stems from medical bills for the care of her late husband. Most of the remaining debt consists of unpaid credit card bills, most of it spent on household goods and groceries. Interest runs at 15 percent. The widow is further hindered in her payments, collection agencies call at home and at work, and they are threatening to garnish her wages.

The hypothetical then considers a 45-year-old businessman, also living in Florida. He works for a large corporation and makes $95,000 a year. He previously had his own business but it failed. Though single, he lives in a 5-bedroom house worth $500,000. He owes $60,000 in debt from his 10 credit cards, which he used to pay for vacations, clothes, and meals in restaurants. In addition, he is personally liable for $200,000 in debt from his failed business venture.

The current bankruptcy law would allow both the elderly widow and the businessman to file chapter 7 bankruptcy petitions and receive a fresh start. However, under H.R. 333, only the businessman would be allowed a fresh start because the widow’s use of chapter 7 would be presumed abusive. The widow might be eligible for relief under chapter 13 but only if she commits all of her income for the next 5 years to the repayment of her debts, apart from monthly living expenses. In contrast, under H.R. 333, the businessman will be eligible for chapter 7 relief, and be able to discharge all of his debt and keep his house.

The reform laid out in H.R. 333, will also increase hardship on debtors because it toughens the rules for ordinary debtors, most of whom declare bankruptcy not out of irresponsibility but because of catastrophic medical bills, unemployment, or divorce.

Mr. Chairman, I am for bankruptcy reform, but I believe that it must be equitable and fair to all. I am for bankruptcy reform that recognizes the financial interest at stake for the debtor, his or her family, and the creditors.
the sole purpose of reducing bankruptcy debt or filing fraud. As I stated at the out-set of my statement, I applaud and support this goal. However, the facts at hand tell us decisively that this goal will not be achieved under H.R. 333 because it is not narrowly tailored and does not provide fairness and equal protection in cases like homestead exemption. Furthermore, the goal of curbing bankruptcy debtor filing fraud is in serious question due to the sharp decline in bankruptcy filings overall. Statistics provided by the VISA Bankruptcy Notification Service, which compiles weekly reports on bankruptcy filings show a continued sharp decline in the bankruptcy rate which dropped by more than 9 percent in 1999, continuing to decline at an 8 percent annual rate in the first 5 months of 2000. Bankruptcy filings are now running at a level lower than in 1997, 1998, or 1999. The per capital growth rate in personal bankruptcies was up to 25.2 percent in 1997, up by 3.1 percent in 1998, down by 7.9 percent in 1999, and down by 7.7 percent in 2000. In 2000, according to the VISA Bankruptcy Notification Service, the number of personal bankruptcies was up to 26.1 percent in 1997, up by 4.0 percent in 1998, down by 7.0 percent in 1999, and down by 6.8 percent in 2000. These numbers that show a continuing decline in bankruptcies supports the view that many of the provisions provided in H.R. 333 are unnecessary and counterproductive.

Mr. Chairman, as elected officials for the American people we must protect America's families. Most individuals who file petitions in the bankruptcy courts are usually experiencing turbulent times. Financial hardship is a serious matter that deserves legislative reform that is the product of a deliberative process. This bill, is an extreme bill undertaken at the direction of the gentleman from Michigan says every time something like that occurs, it hurts by bankruptcy. Why? Because the cost of credit, the cost of lending money goes up every time somebody files for bankruptcy, it hits the consumer who is interested in borrowing money for a refrigerator or an automobile.

Secondly, interest rates, because of the provisions to assist them in their child support, will be required to pay back their debts, will be required to pay back a significant portion of their debts must be required to do so. This balanced, bipartisan legislation will accomplish these goals:

Access to bankruptcy will unquestionably remain available for all Americans, regardless of income.

More than 100,000 bankruptcy filers are abusing the system every year by discharging debts that they have the ability to repay.

Abusers of the bankruptcy system, those who earn more than the median income and can afford to repay a significant portion of their debts, will be required to pay back what they can afford.

The bill provides substantial new protections for women and children trying to collect their child support and alimony, for example, by moving child support to the first priority. Child support collection authorities describe the bill as a "veritable wish list" of provisions to assist them in their child support collection efforts.

Safe harbor provisions will protect lower income Americans by ensuring that they will have access to Chapter 7 relief without qualification.

The bill imposes significant new responsibilities and disclosures on lenders, and particularly credit card lenders.

The bill is fair to creditors, while it also stops the very rich from exploiting the system to discharge their debts, leaving every one else holding the bag.

The U.S. Chamber of Commerce will consider Scoring this vote in its annual "How They Voted" Guide.
Mr. NADLER. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia (Mr. BOUCHER).

Mr. BOUCHER. Mr. Chairman, I thank the gentleman very much for yielding me this time.

Mr. Chairman, I ask the gentleman from Wisconsin (Mr. SENSENBRENNER) if he would be willing to yield 1 additional minute to me.

Mr. SENSENBRENNER. Mr. Chairman, I yield 1 additional minute to the gentleman from Virginia (Mr. BOUCHER).

Mr. BOUCHER. Mr. Chairman, I thank the gentleman from Wisconsin for yielding that additional 1 minute.

Mr. Chairman, I rise in support of the bankruptcy reform legislation and urge its approval in the House. With this measure, we bring to conclusion a process that was launched 4 years ago to bring about a much-needed reform to the Nation’s bankruptcy laws.

During the record of the generally strong economy, consumer bankruptcy filings should be rare. Contrast, however, to this expectation, there are now more than 1.2 million annual bankruptcy filings, representing a five-fold increase since the last major bankruptcy law revision that took place in 1978.

The current level of annual filings is more than 90 percent greater than the number of 1 decade ago. Bankruptcies of convenience are driving these increases in filings.

Bankruptcy was never meant to be a financial planning tool, but it is increasingly becoming a first stop rather than a last resort, as many filers who can repay a substantial part of their debt use the complete liquidation provisions of chapter 7 of the Bankruptcy Code rather than the court supervised repayment plans that are contained in chapter 13.

Our legislation will direct more filers into chapter 13 plans. Those who can afford to make payments will be required to do so.

This is a consumer protection measure. The typical American family pays a hidden tax of $550 each year arising from the increased cost of credit and the increases in prices for goods and services occasioned by the discharge of $50 billion annually in consumer bankruptcy debt. By requiring that people who can repay a substantial part of their debt do so in chapter 13 plans, we will lessen substantially what is hidden tax.

Another key point should be made about the provisions of the bill. The alimony or child support recipient is clearly better off under our bill than she is under current law. At the present time, she stands seventh in the rank of priority for the payment of claims in bankruptcy proceedings.

Under the legislation we are putting forward, the child support or alimony recipient will have priority number one. Her claim will be first in line for payment. Other provisions of the bill also make it easier for her to execute against the assets of the bankruptcy estate.

For this reason, our bill has been endorsed by the child support enforcement agencies of a number of States because of the better ability to collect child support payments which this bill provides. I will say again that the child support recipient is clearly better off under this bill than she is under current law.

This is a balanced bipartisan measure which conforms to consumer protections and requires greater debt repayment by those who can afford to make the payments. Responsible borrowers and all consumers will benefit from its passage.

I want to commend the gentleman from Pennsylvania (Mr. GEKAS), the sponsor of this measure, for the leadership he has provided over the last 4 years as we have sought to make this important reform. The measure he brings to the floor today deserves the endorsement of the House.

Mr. SENSENBRENNER. Mr. Chairman, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

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

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of this legislation and associate my remarks with the gentleman from Pennsylvania (Mr. GEKAS) and the gentleman from Wisconsin (Mr. SENSENBRENNER).

This is a significant and substantial reform. It improves bankruptcy law and restores personal responsibility and integrity to our system. It does not diminish anything. It, at the same time, is a safety net for those who need it most.

I would like to refer to the child support component of this specifically because I was a pioneer in child support legislation going back to the mid-1980s; and I served on the Commission for Interstate Child Support Enforcement. I want to make it clear that this is a giant step in terms of protecting child support. It has made those payments number one. Let there not be any misunderstanding about that.

The gentleman from Virginia (Mr. BOUCHER), the previous speaker, made reference to the State situation; and I would specifically like to reference Oregon because the important thing does not apply to State child-support collection agencies. I know from speaking with child-support advocates in New Jersey, in my State that has been a leader in this respect, that this change is a top priority for them to ensure the continued payment of child support.

Mr. Chairman, I want to again thank the leaders here and also acknowledge that there are components of this that the Committee on Financial Services has always agreed to.

Let me focus with more explicit details to the key elements of the bill as follows:

Mr. Chairman, I rise today in strong support of H.R. 333, the Bankruptcy Reform Act of 2001.

INTRODUCTION

Consumer bankruptcy reform is an important issue that needs to be addressed now. In 1998 Americans filed a record of 1.4 million consumer bankruptcy petitions representing an increase of 650 percent since 1978. Those who entered into bankruptcy erased an estimated $44 billion in consumer debt. This resulted in a hidden tax of almost $400 per household for families who have to pay monthly bills including mortgages, student loans, and insurance. It is important to note that this surge in bankruptcies in the last few years occurred at a time when the national economy has grown at a strong rate. In fact, between 1986 and 1996, real per capita annual disposable income grew by over 13 percent while personal bankruptcies more than doubled.

Bankruptcy is fast becoming the first stop financial planning tool rather than a last resort. The purpose of reform is to improve bankruptcy law and practice by restoring personal responsibility and integrity in the bankruptcy system but also ensuring that the safety net of the Bankruptcy Code is intact for those who need it most. I am a strong supporter of the consumer bankruptcy reforms contained in the bill and I will continue to work hard for bankruptcy reform legislation.

FINANCIAL SERVICES

Included in this bill are important provisions from H.R. 1161, the Financial Contract Netting Improvement Act of 2000 passed by the House last year. The netting provisions have one primary purpose: to minimize the systemic risk evident in our nation’s financial system. Specifically, to minimize risk that could occur when a counterpart to a derivative contract becomes insolvent. It amends our banking and bankruptcy insolvency laws to require netting of the financial and over-the-counter derivatives instruments that are often traded among large financial institutions. It is a commonsense approach that should be enacted this Congress.

These same provisions were part of last year’s Working Group recommendations on the netting of derivatives and other financial contracts. The House passed similar netting provisions on three separate occasions in the last Congress—as a stand-alone bill, as part of last year’s comprehensive Bankruptcy Reform bill and as part of H.R. 4541, the Commodity Futures Modernization Act of 2000 which reauthorized the Commodities Exchange Act.

CHILD SUPPORT

I would like to thank the Committee for the child support provisions in the Bankruptcy Reform Bill.

I have a long history of standing up for child support enforcement, having been a pioneer on child support reforms and having served on the U.S. Commission for Interstate Child Support Enforcement. It’s a national disgrace that our child support enforcement system continues to allow so many parents who can afford to pay for their children’s support to shirk these obligations. The so-called “enforcement gap” is the difference between how much child support could be collected and how much child support is collected—has been estimated at $34 billion.
This legal abuse is a criminal violation as well as neglect of our children’s most basic needs. In addition, the taxpayers are abused because billions of tax dollars are paid out because these families are falling onto the welfare roles at alarming rates.

H.R. 335 strengthens Child Support Enforcement by:

- Child support payments are moved to Number one when determining which debts are paid first in a bankruptcy case. Currently, child support payments rank seventh behind such priorities as attorney’s fees.

- Confirmation and discharge of chapter 13 plans are made conditional upon the debtor’s complete payment of child support. This will help further ensure that child support receives the priority it deserves.

- Providing that the automatic stay does not apply to a state child support collection agency that is trying to recover child support payments. I know from speaking with child support advocates in New Jersey, that this change is a top priority for them to ensure continued payment of important child support.

- The new credit card bill requires the GAO to study the feasibility of requiring all pertinent information about debtors to be collected by the Office of Child Support for the purpose to determine whether the debtor has outstanding child support payments. Chairman Gekas and the committee included the study so we can better enforce the law and make sure that dependent families get every penny they deserve.

- These are important and real reforms that are supported by the Child Support Enforcement Services in New Jersey. The child support obligation for last year in New Jersey was $767 million. The total child support payments in arrears is $1.3 billion. Yes, I said $1.3 billion, of which about $800 million is still collectible. Bergen County in my district, along with six other New Jersey counties, makes up 53 percent of the total collections. The reforms in this bill will help us get that outstanding money to the families that need it most.

- In conclusion, I strongly support this comprehensive bankruptcy bill and urge my colleagues to support it.

Mr. NADLER. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I rise today in opposition to the Bankruptcy Abuse Prevention and Consumer Protection Act. I do not oppose bankruptcy reform. Rather, I oppose this particular legislation in the manner in which it is being considered.

We have all heard the statistics concerning the alarming increase in bankruptcy filing over the past 2 decades. Consumer bankruptcy filings have reached record highs and our community banks and credit unions continue to suffer the burdens of their members’ financial difficulties.

Does abuse of the bankruptcy system exist? Yes. Is reform needed? Certainly. Should those consumers with the means able to pay back some of their debt be required to do so? Absolutely. Does this bill provide the solution that is needed? No.

What is needed, Mr. Chairman, is balanced reform. We need reform that provides an adequate cap on homestead exemptions. We need reform that addresses the source of many recent personal bankruptcy filings, credit-card debt, in a proactive manner. That is, as our Nation’s economy slows down, we need reform that strikes a better balance between meeting the needs of lenders and the needs of families who are in good faith turning to bankruptcy for a fresh start.

Had this legislation been considered in a fair and open manner, we would have been given the opportunity to address those flaws.

I am disappointed in the insistence the legislation be rushed to the floor for a vote without a serious opportunity for the committee or here on the floor to bring the bill into balance and achieve bipartisan support. This is too important an issue to be rushed through the process as if we were merely naming a post office instead of sealing the economic fate of families and small businesses.

This bill will help further ensure that child support receives the priority it deserves.

Bankruptcy reform is clearly needed, but this bill is not the right solution. Once again I urge my colleagues to vote against this bill.

Mr. SENENBRENNER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. CHABOT).

Mr. CHABOT. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in support of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001. I would also like to thank the chairman of the Committee on the Judiciary, the gentleman from Wisconsin (Mr. SENENBRENNER), for his leadership in this area and for moving the bill so expeditiously through the Committee on the Judiciary to the House floor for debate. It has been debated and debated; and we have had many, many hearings on this bill, so it is clearly not being rushed.

I want to also thank the gentleman from Pennsylvania (Mr. GEKAS) for his tireless commitment to securing meaningful bankruptcy reform.

The text of H.R. 335, the bill we are considering today, is the result of last spring’s conference committee between the House and Senate on which I served as a conferee. This vital piece of legislation protects individuals and businesses from having to pick up the tab for lenders who are not able to pay back some of their debt. It protects responsible consumers and requires those who can afford to pay their debts to honor their commitments.

Mr. Chairman, there are people who truly have a legitimate need to declare bankruptcy. No one is denying this. At times, hard-working Americans come up against special circumstances that are beyond their control. Family illness, disability, or the loss of a spouse may necessitate the need to seek relief. This legislation effectively protects these individuals. Too frequently, however, people who have the financial ability or earnings potential to repay their debts are simply seeking an easy way out of making good on their debts. While this may prove convenient for the debtor, it is not fair to their friends and neighbors who are ultimately stuck with the bill.

As has been correctly stated by previous speakers, estimates show that the average American pays as much as $550 per year as a bad debt tax in the form of higher prices and increased interest rates to cover the economic costs associated with excessive bankruptcy filings of others.

Mr. Chairman, I urge support of the bill.

Mr. NADLER. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, in the 13 or so blocks from my residence to my office this morning I promised myself that I was going to be calm and unemotional in this debate, despite the fact that I think the process in the committee was a charade and I think this is going to be a charade. At the end of the day this bill will not be amended because it is about making a political statement that our Republican leadership can get the bill that they passed last time and it can be signed.

This bill is an unfortunate convergence of expediency and politics. Nobody is likely to like what I say on either side of this issue because what I perceive has happened is that the people who wanted this bill knew that politically they could not get it unless they exempted the poorest people in the country from the provisions of this bill. And for those of us who start with the position that there is abuse in the bankruptcy system and have witnessed the abuse, we know that the abuse not only exists among high-income people but the abuse exists among low-income people also. But basically the same people who a couple of years ago were telling us that we need to make poor people responsible for their actions in the welfare reform context now say, for political expediency, we will accept a means test in the bankruptcy laws that basically sets up two classes of citizens for bankruptcy in this country, and that, Mr. Chairman, will be the legacy of this bill.

I know there are people who have kind of walked away from the debate because they said, well, this does not
impact my constituency any more because my constituency is poor and poor people are exempted from this bill. However, it is irrational to set up a pauper’s bankruptcy court system and a higher-income court system in this country for bankruptcy. Yet we have a whole body of provisions in this bill now making it more difficult for small businesses to reorganize and continue in business to continue the jobs for those people.

So I do not know. It is difficult for me to even grab ahold of one or two or three provisions. The white concept of this bill, the whole theory that divides poor people and rich people and says we are going to set up separate systems of bankruptcy. And I tell my colleagues that the impact of that ultimately will be that person after person after person will lose their jobs because small businesses will not be able to reorganize and continue in business to continue the jobs for those people.

Mr. SENSENBRERNER. Mr. Chairman, I yield 1 minute to the gentleman from Arizona (Mr. FLAKE).

Mr. FLAKE. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the bankruptcy reform legislation before us today. Many of the bankruptcy filings that do occur do originate from consumers who have been struck by sudden or unexpected financial hardship. No one wants to lose everything to the bankruptcy reform to those who truly deserve it. However, there are also consumers contributing to the upward trend in bankruptcy filings who could, with thoughtful planning and dedication, recommit themselves and save some of the losses they have incurred. These consumers, if permitted to simply walk away from their debts, will pass along their cost to others in the form of higher credit and tighter credit availability, increased tax burdens and higher prices for goods and services.

Now, the average American household pays about $400 a year in hidden costs associated with consumer bankruptcy. The abusers of this system, it is important to note, are not simply low-income families. In fact, many of the bankruptcy filers actually earn more than $100,000 in the year they file for bankruptcy. While this legislation has been depicted as a one-size-fits-all approach, it is highly flexible.

Mr. NADLER. Mr. Chairman, how much time is remaining?

The CHAIRMAN pro tempore (Mr. LAHOOD). The gentleman from New York (Mr. NADLER) has 11 minutes remaining.

Mr. NADLER. Mr. Chairman, I yield 2½ minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I want to pose the question of why did we see the spike in bankruptcy filings up until 1998 and then saw a dramatic decline of some 15 percent in the last 2 years? Well, in 1998, the FDIC, the government agency, found that as a result of interest rate deregulation, credit card companies had become more profitable and were able to extend more unsecured credit to lower creditworthiness borrowers. In other words, credit card issuers were handing money out to just about everyone. Anyone with teenagers knows that they receive bundles of credit solicitations. In other words, people who should not have been extended credit were getting it.

This conclusion, I suggest, is supported by an astonishing fact. The median family income of filers has dropped from $29,220 in 1981 to $17,650 in 1997. And we wonder why we have a crisis. But, as the filings peaked in 1998, the credit card companies saw their profits stall and began to tighten their underwriting requirements. In the last 2 years, we have seen this decline. In other words, the invisible hands of the marketplace are working.

As a University of Maryland study has concluded, the bankruptcy crisis is self-correcting. The reason is that lenders are profit-maximizing institutions that select their own credit criteria and they responded to this unexpected increase in personal bankruptcy. I find it rather ironic that proponents who usually proclaim the benefits of the free market would seek government intervention, a remedy, by the way, which will only impact the debtors and not impose any responsibility or accountability on creditors who behave irresponsibly.

Let the market work and reject this bill.

Mr. SENSENBRERNER. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. LEACH), the distinguished former chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Mr. Chairman, I thank the distinguished chairman for yielding me this time to me.
March 1, 2001

Why is this bill being rushed through? Must it be a crisis in bankruptcy? No, there is not a crisis in bankruptcy. Chapter 7 filings have declined by 20 percent in the last 2 years. Although studies bought and paid for by the industry a few years ago told us that up to 25 percent of chapter 7 debtors could repay a substantial portion of their debts, the only independent study, sponsored by the American Bankruptcy Institute, found that only 3 percent could do so. There is no crisis warranting the most radical rewrite of the Bankruptcy Code in a quarter century.

The bill does not protect debtors and families. If it does, ask yourself why every consumer organization, every organization representing debtors, women’s groups, children’s advocacy groups, civil rights groups, seniors groups, bankruptcy judges, trustees and bankruptcy professionals have consistently criticized this bill for the last 4 years? How dare the sponsors of this bill tell us that it will improve the custodial mother’s ability to collect child support because they make child support a priority when they know perfectly well that the priority expires with the five-year bankruptcy discharge? And Mom will then have to compete with the bank’s collection department in State court with no priority. Why do the agencies that collect child support for State tax departments support this bill while consumer organizations uniformly oppose this bill? If this bill is good for business, why have some of the top judges and big business reorganization specialists all told us that this bill will make it harder to reorganize a business under chapter 11 and force more viable businesses into chapter 7 liquidation? As the economy slows down, is this any time to make business survival more difficult? If the only concern is personal responsibility, why have so many consumer protection amendments been rejected, watered down and ruled out of order so we cannot even debate these issues? Why does the bill contain a special interest provision to allow a small group of wealthy investors to avoid having a legal judgment against them enforced in our courts as required by international law? Why does the bill let anti-abortion terrorists abuse the Bankruptcy Code and evade lawful court judgments through costly and lengthy litigation? Why does the bill fail to place a real cap on the millionaire’s loophole, the unlimited homestead exemption? Why were we not even allowed to offer amendments and debate these issues?

If this bill is so pro-family, why was it an amendment by the gentleman from California (Mr. SCHIFF) which would have corrected the bill so that a battered, legally separated spouse would not have to count the income of her husband as her own even if she never saw a nickel of it taken out of the bill? Why would the bill require that she use this phantom income to repay her creditors and deny her relief when she cannot? Why should a landlord be allowed to evict tenants despite the normal bankruptcy stay? Will homelessness make people better able to repay their debts?

Does any Member think that credit card companies will really return the extra profits this bill will give them over to consumers in the form of lower interest rates? How much of the profits that the credit card companies realized from increased rates have been passed on to consumers in lower interest rates? Have credit card interest rates gone down with mortgage rates and car rates?

Why have the conferences been held in secret? Why have industry lobbyists had more access to the deliberations than most members of the Committee on the Judiciary, even those appointed as conferees?

The bill is rotten and, like the bipartisan Gann-St Germain bill of a decade and a half ago that caused the savings and loan crisis and cost the taxpayers half a trillion dollars, this bill will come back to haunt every Member who votes for it when people lose their jobs, lose their homes, and are crushed under mountains of debt.

I urge rejection of this bill.

Mr. Chairman, I yield 1 minute to the distinguished gentleman from Virginia (Mr. SCOTT). Mr. SCOTT. Mr. Chairman, there are a number of reasons that have not been pointed out why this bill is a bad bill, the reasons of why we have a fresh start, a tradition that if someone is inundated by debts so that they can cash in all they have and get a fresh start. Some people incur debts through no fault of their own, a business reversal, illness, loss of a job. There is no balance in this bill.

We have heard if you can pay a substantial portion of your bills, you ought to pay those. There is nothing in this bill that limits it to a substantial portion. If you can pay $167 a month out of whatever your bills are, millions of dollars, you have got to pay that $167 for the next 5 years. This will lead to frustration and desperation suffered by many Americans. If our goal were to increase the number of people that go berserk and shoot their colleagues, this is the kind of frustration and desperation that would lead to that kind of result.

I would hope that we would keep our traditional bankruptcy laws so that those who are totally inundated with debts and can never get out can get a fresh start.

Mr. CONYERS. Mr. Chairman, I am delighted to yield 2 minutes to the gentlewoman from California (Ms. LEE). Ms. LEE. Mr. Chairman, I thank the gentleman from Michigan for yielding me this time and also for his lifetime work on behalf of people in our country.

I rise today in strong opposition to this anticonsumer, antiknowing family, antiwoman, anti-low income, antichild bankruptcy legislation and to support the Democratic alternative which provides for true bankruptcy reform. Many Americans, as we know, were left out of the economic boom of the past 4 years. Declined. Rents are going up. They are not wanting to pay one’s bills. Many working families are forced into bankruptcy when emergencies arise, including loss of a job, the loss of a spouse or long-term illness. Instead of helping families with their feet in these cases, the Republican re- form bill would make declaring bankruptcy under chapter 7 or 13 much more difficult. This is just plain wrong. Domestic sufferings in H.R. 333 are inadequate. Hundreds of thousands of women who are owed child support or alimony would be harmed financially under the Republican bill. The bill does nothing to protect women owed child support by men who declare bankruptcy or those who need to declare bankruptcy themselves due to financial hardship when their former spouse or noncustodial parent fails to pay child support. Additionally, this bill fails to ensure that parents and children will have first claim on the bankruptcy filer’s funds rather than big business collection departments. This bill says to the majority of ordinary Americans that we are abandoning them on behalf of big-time corporations. It is wrong.

The Democratic alternative is sensible and is fair. The Republican bankruptcy reform bill is punitive.

Mr. CONYERS. Mr. Chairman, I proudly yield the balance of my time to the gentleman from Ohio (Mr. KUCINICH). The CHAIRMAN pro tempore (Mr. LAHOOD). The gentleman from Ohio is recognized for 1 minute.

Mr. KUCINICH. Mr. Chairman, this bill is bad for consumers and bad for business. Recently in Cleveland, the district I represent, a major American company sought to reorganize under chapter 11 of the bankruptcy laws. LTV, one of the most important employers in Ohio, one of the most strategically important companies in the country, was compelled to seek bank- ruptcy protection because of factors beyond their control, unfair and illegal dumping of cheap foreign steel and inadequate Federal enforcement of anti-dumping laws.

But if H.R. 333 had been law, LTV would not have been able to reorganize under chapter 11. Instead, the company would have been dissolved and the assets liquidated. Thousands of jobs
would have been lost. H.R. 333 makes a change to existing law reducing the assets available to a debtor company for funding operations during a reorganization. H.R. 333, had it been in effect, would have affected LT"s ability to obtain credit, thus keeping the plants open during bankruptcy proceedings.

This is only one of the many extreme changes in the law that H.R. 333 would make. It is a bad bill, but especially as we may be on the verge of a recession at a time when more businesses will need credit or else face layoffs and liquidation, this bill closes the door to reorganization. It virtually guarantees more layoffs, more liquidation, and more ruin for entrepreneurs, both large and small. Defeat H.R. 333.

Mrs. MALONEY of New York. Mr. Chairman, it is with great regret that I come to the floor in opposition to this bankruptcy bill.

Mr. Chairman, I supported this legislation when the House last took a recorded vote on this. It is a bad bill, but especially as we may be on the verge of a recession at a time when more businesses will need credit or else face layoffs and liquidation, this bill closes the door to reorganization. It virtually guarantees more layoffs, more liquidation, and more ruin for entrepreneurs, both large and small. Defeat H.R. 333.

Mr. DINGELL of Michigan. Mr. Chairman, I rise today in opposition to H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001. H.R. 333 will neither prevent more bankruptcies from occurring, nor protect consumers. It will, however, sanction the continued predatory and abusive practices of the credit card industry.

There is no bankruptcy crisis in America. Despite the rascality perpetrated by the credit card industry, including the solicitation of our minors, seniors and pets, personal bankruptcies are not increasing. In fact, even as the average household debt burden has continued to climb, over the past two years personal bankruptcies have dropped by more than 15 percent.

Studies show that irresponsible and overly aggressive lending practices were behind the high level of bankruptcies in the mid 1990's. However, the industry has not learned its lesson. Even as the industry enjoys its highest profit level in five years, it refuses to take responsibility for its poor lending practices and continues to increase its marketing and credit extension efforts. The recent credit card industry increases in mail solicitations by about 14 percent. Additionally, total credit extended, which included unused credit lines and debt incurred by consumers, approached three trillion dollars for the first time ever.

This is outrageously bad behavior and it should not be rewarded. Unfortunately, the Republican leadership feels differently and has crafted a bill which encourages this despicable behavior. It is a bad bill, but especially as we may be on the verge of a recession at a time when the economy is slowing and more jobs are in jeopardy. As such, I urge all of my colleagues to oppose this wrongheaded piece of legislation.

Mr. LAFALCE of New York. Mr. Chairman, this is the wrong bill at the wrong time. It is unfair and unreasonable to consider bankruptcy reform without focusing attention on the practices of the credit card issuers that directly contribute to consumer bankruptcies. Unfortunately, the bill being considered today will only encourage credit card companies to be more aggressive in exacerbating the problem of consumer debt.

The timing of this bill could hardly be worse. By all accounts, we are in the midst of a significant economic slowdown, which will undoubtedly put a strain on many families' budgets, especially in the consumer credit industry, which acts as a safety valve during economic slowdowns, providing relief to families that have reached a financial crisis point in the midst of difficult economic times. Yet, Congress is moving full steam ahead to pass a bill that will shut off the safety valve and put more families on the verge of a recession.

Moreover, many families face these financial crises as the direct result of the practices of companies associated with their credit card solicitation.

The credit card industry is before Congress asking for relief from allegedly inadequate bankruptcy statutes. Yet, these same companies continue to aggressively market credit cards to some of our most financially vulnerable citizens—students, seniors and the working poor. Credit card companies issued 3.3 billion credit card solicitations last year, many of which have been targeted at these vulnerable groups. Is it any wonder that young people in their twenties and older Americans are the fastest growing groups filing for bankruptcy?

The credit card industry continues to aggressively market to these groups because it's good business for them. Profits for the industry are up, despite higher overall bankruptcies from being considered during today's Floor debate.

I feel strongly that Congress must address these abusive practices, and that is why I am joining with the Gentleman from Michigan, Mr. CONYERS, in a motion to recommit that will address concerns of populations which have proven to be most vulnerable—student and young people. People in their twenties are the fastest growing group filing for bankruptcy. To a large degree, that is the result of aggressive targeting of students and young people just starting out in life by credit card companies that trap them into a cycle of debt before they have adequate income to sustain it.

Mr. ISRAEL of New York. Mr. Chairman, I rise in support of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act. At its core, this bill responsibly ensures that those who can afford to repay their debts do so, while protecting important priorities such as child support, alimony, and education savings.

Last year, over $40 billion was lost through bankruptcy filings. This not only affects businesses, but families as well. Bankruptcy costs are passed on to consumers in the forms of higher interest rates and restricted access for lower and middle-income taxpayers to affordable mortgages. Indeed, bankruptcies cost each American household about $400 last year. It is fundamentally unfair that equal access to credit is reserved for those who abuse the system—irresponsible filings by people who can repay their debts.

H.R. 333 provides a mechanism to distinguish between those who can repay their debt from those who cannot. If a filer earns more than the median income and can afford to repay either $6,000 or 25 percent of non-priority debt over five years (after taking into account living expenses and priority expenses...
such as child support), then the debt should be repaid over time. This bill insists on personal responsibility for repaying obligations while providing bankruptcy protection for special situations such as declining income and unexpected family and medical expenses.

Mr. KIND. Mr. Chairman, I rise today to share my support for H.R. 333— the Bankruptcy Abuse Prevention and Consumer Protection Act. This measure, though not perfect, ensures debtors who can afford to repay their debt do so while at the same time protecting consumers.

Bankruptcy can negatively affect people in the form of higher prices and tightened credit access for lower-and-middle-income taxpayers. It is estimated that over $40 billion was discharged through bankruptcies last years. As we all know, money lost to bankruptcies is passed on to consumers in the form of higher prices for goods and services.

H.R. 333 also ensures that those individuals with the ability to repay their debts do so while protecting those truly in need. This legislation creates a needs based system and assures that those who can afford to pay are required to do so. A recent study determined that 15 percent of Chapter 7 filers could repay an average of 64 percent of their debt.

Most importantly, H.R. 333 makes all marital and parental obligations to children the first priority for payment in bankruptcy proceedings. It is for this reason a number legal and child support enforcement organizations strongly support the bill.

While H.R. 333 is a good bill that could get better. It is my hope that House and Senate negotiators during the conference committee discussion, will work to eliminate current home-stead exemption loopholes and seek to protect families from abusive reaffirmation practices of creditors.

Mrs. KELLY. Mr. Chairman, I rise today in strong support for H.R. 333, the Bankruptcy Reform Act, because it boils down to two words: personal responsibility. If one assumes a debt, they should do everything in their power to pay it off. However, a safety net has to remain to help those who legitimately cannot pay their bills. Creditors should be made whole, if possible.

Some of my colleagues here today are trying to paint the word creditors to mean faceless financial institutions who are tricking consumers into assuming debt. They specifically speak of credit card debt. They unfortunately fail to note that credit card debt in the United States amounts to only 3.7 percent of all consumer debt. Furthermore, only 1 percent of credit card accounts end up in bankruptcy. Of that 1 percent it is estimated that 15 percent of those accounts can afford to repay some or all of their debt.

The people who are truly being hurt by our current bankruptcy system are Americans who play by the rules and pay their debts. Bankruptcy costs the average American family an average per year of $400.

Needs-based bankruptcy reform is well overdue, and that is what H.R. 833 delivers. It is the people who game the system that we have to stop.

Mr. BEREUTER. Mr. Chairman, this Member supports the provision in H.R. 333 since it allows family farmers to reorganize their debts as compared to liquidating their assets. Using the Chapter 12 bankruptcy provision has been an important and necessary option for family farmers throughout the nation. It has allowed family farmers to reorganize their assets in a manner which balances the interests of creditors and the future success of the involved farmer. If Chapter 12 bankruptcy provisions are not permanently extended for family farmers, its expiration would be another very painful blow to an agricultural sector already reeling from low commodity prices. Not only will many family farmers have no viable option but to end their operations, it likely will also cause land values to plunge. Such a decrease in value of family farms will affect the ability of family farmers to obtain adequate credit to maintain a viable farming operation. It will impact the manner in which banks conduct their agricultural lending activities. Furthermore, this Member has received many contacts from his constituents in the extension of Chapter 12 bankruptcy because of the situation now being faced by our nation’s farm families. It is clear that the agricultural sector is hurting and by a permanent extension of the Chapter 12 authorization, Congress can avoid one more negative possibility.

In closing, for these aforementioned reasons and many others, this Member urges his colleagues to support H.R. 333.
As a believer in personal responsibility and working to protect the working and middle class residents I represent in Queens and the Bronx, I support this legislation. Responsible borrowers should not be paying the price for bankruptcy abuse—and too many of my constituents—hard working, middle class people—are paying for the sins of others.

I believe that individuals with the means to repay some or all of their debt should be required to meet their financial obligations and not pass their debts onto society. Only those who truly cannot repay their debts should be bale to immediately discharge all of their debts under Chapter 7—and this bill protects those people who are in greatest need of bankruptcy protection.

This is a good bill, it promotes personal responsibility and tightens up our current laws. Families and children are protected; consumers are protected; our local credit unions are protected and most important, hard working Americans who pay their bills and balance their checkbooks are protected.

I ask for the support of all of my colleagues for this commonsense legislation.

Mr. BENTSEN. Mr. Chairman, I rise today in support of H.R. 333, the “Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.”

Mr. Chairman, for most people, the decision to file for bankruptcy protection is made with a heavy heart when all hope of managing one’s personal finances has disappeared. Many consumers who file for bankruptcy are working families who have experienced a catastrophic event such as illness, job loss, or a recent divorce. The decision to file for bankruptcy is not one easily reached. It is the ultimate public statement of financial failure and a cry for help.

However, there are some with average or higher incomes who have exploited our bankruptcy laws to walk away from debt that they have the means to repay. H.R. 333 is virtually identical to H.R. 2415, legislation that passed the House of Representatives last year.

The main feature of this bill is the application of a means test to bar such individuals from filing for bankruptcy under Chapter 7—a section of the bankruptcy code that allows the debtor to escape liability for unsecured debts, such as credit card bills.

Though the number of personal bankruptcy filings skyrocketed in the past two decades, reaching a record of 1.44 million in 1998, recent statistics tell another story. However, in the past two years, bankruptcy filings have declined. Total filings first dropped 8.5 percent, to 1.32 million in 1999 and then another 5 percent, in 2000, to 1.25 million. With the number of consumer filings falling, the question emerges, is bankruptcy reform still necessary? I believe it is.

While most people treat bankruptcy as a last resort, there are some debtors that seek to exploit our current bankruptcy laws to simply walk away from consumer debt. This even-handed measure establishes a means test for determining eligibility for bankruptcy relief, based on the ability to repay debt under Chapter 13. Moreover, this legislation protects those low-income consumers who need a fresh start by allowing them to discharge their debts and rebuild their lives. Additional creditors who would receive unprecedented fair treatment.

Under H.R. 333, all debts, secured or unsecured, are treated equally under bankruptcy law.
Mr. Chairman, I am very pleased that H.R. 333’s $100,000 federal homestead cap (indexed for inflation) would only preempt state law if the homeowner file for bankruptcy protection within two years of establishing their initial homestead in the state, unless the value in excess of the cap results from a transfer of residences within the same state. Thus, any individual who has an existing homestead in Texas for two or more years would not be subject to the cap nor would they, anytime they moved within the state.

The Texas Homestead Law is a critical part of the Texas Constitution and is part of the history of Texas. The Texas Homestead Law was designed to protect settlers in Texas and to prevent the sale of their homes for payment of debts. Sam Houston, one of the original founders of the Republic of Texas, was a strong proponent of including the Texas Homestead Act in the Texas Constitution because he had personal experience with declaring bankruptcy. In his former residence of Tennessee, including the loss of his family lineages. Sam Houston wanted to make sure that future Texans would not suffer the same humiliation.

H.R. 333 respects the Texas Homestead Act. I would not support any measure that would not do so. I have worked with others who opposed Texas, including Senator Kay Bailey Hutchison, to ensure that Texans retain their homestead exemption. In 1999, during consideration of an earlier version of this bill by the House, Representative Bentzen successfully authored an amendment allowing states to opt out of the federal law placing a cap on the amount of equity protected by state homestead laws. The Bentzen amendment allows states to opt out of any federal cap. This language was amended in the Senate to create a two-year residency requirement before one's homestead is exempt from the cap. H.R. 333 maintains the Senate language, protecting the vast majority of Texas homeowners.

Mr. Chairman, while this legislation is not perfect, I believe it has some important provisions. One is the inclusion of a definition of debt. For example, under current law, a loan for a home purchase is not considered debt. However, H.R. 333 defines debt as any obligation incurred for personal, family, or household purposes. This definition will help ensure that individuals are not unfairly burdened by debt.

I believe this legislation is a good start at creating a comprehensive bankruptcy reform. It includes some much-needed reforms in the area of credit plans and requirements under the Truth and Lending Act. Despite the healthy economy of H.R. 333, it maintains the Senate language, protecting the vast majority of Texas homeowners.

Mr. Kingston, Mr. Chairman, I have been a strong supporter of this bill throughout its formulation. Despite the healthy economy of these past few years, people are still going bankrupt in record numbers. This legislation includes some of the many needed reforms in the area of bankruptcies, especially in terms of personal credit. I have been very actively engaged in a section of this bill which deals with bankruptcy judges. In the United States, there are over 25,000 bankruptcy cases filed in the Southern and Middle Judicial Districts of Georgia alone, with only one shared judge to manage this tremendous volume. I fought hard to ensure that this bill would establish a new judgeship in the Southern Judicial District, one of the busiest in the United States. The new judgeship would benefit most of the state, spanning five congressional districts, covering 3 million people.

I would like to thank Chairman Gekas for his hard work in this area, and for the work of Alton on his personal staff, and Susan on the committee staff. Without everyone’s team effort in dealing with this legislation, we would not have been successful.

Mr. COSTELLO. Mr. Chairman, I rise today in support of H.R. 333. Consumer bankruptcy filings have increased over the past two decades, peaking at 1.44 million in 1998. Flaws in the bankruptcy law allow individuals to walk away from their debts, regardless of whether they are able to pay a portion of them. H.R. 333 offers a fresh approach to those overwhelmed by debt and financial obligations, while also ensuring that debtors with financial means to pay a portion of their debt will have to do so.

I believe this legislation is a good start at creating a comprehensive bankruptcy reform. It includes new safeguards against abusive reaffirmation agreements, new credit card disclosure specifications, and requirements that credit card companies provide explanatory statements on introductory interest rates and minimum payments.

In addition, I support this bill because it considers domestic support obligations, such as alimony and child support, as priority debts. These debts are nondischargeable, meaning they must be paid, regardless of whether an individual files under Chapter 7 or Chapter 13. This legislation raised the priority of domestic support obligations from seventh to first, thereby granting greater protection to child and domestic support.

Mr. Chairman, it is important to ensure bankruptcy protection is available to those who truly need it. This legislation provides such protections, places a higher priority on domestic support obligations, and offers some new safeguards against abusive reaffirmation agreements and domestic support. For these reasons, I support this legislation.

Mr. SENSENBRENNER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. All orders of the House having been completed, the Chair designates Mr. Costello to offer amendments to the bill, as amended, as follows:

H.R. 333

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

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.”

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; references; table of contents.

TITLE I—NEEDS-BASED BANKRUPTCY

Sec. 101. Definition of terms.

Sec. 102. Disclosure or conversion.

Sec. 103. Sense of Congress and study.

Sec. 104. Notice of alternatives.

Sec. 105. Debtor financial management training test program.

Sec. 106. Credit counseling.

Sec. 107. Schedules of reasonable and necessary expenses.

TITLE II—ENHANCED CONSUMER PROTECTION

Subtitle A—Penalties for Abusive Creditor Practices

Sec. 201. Promotion of alternative dispute resolution.


Sec. 203. Discouraging abuse of reaffirmation practices.

Subtitle B—Priority Child Support

Sec. 211. Definition of domestic support obligations.

Sec. 212. Priorities for claims for domestic support obligations.

Sec. 213. Requirements to obtain confirmation and discharge in cases involving domestic support obligations.

Sec. 214. Exceptions to automatic stay in domestic support obligation proceedings.

Sec. 215. Non-dischargeability of certain debts for alimony, maintenance, and support.

Sec. 216. Continued liability of property.

Sec. 217. Protection of domestic support claims against preferential transfer motions.

Sec. 218. Disposable income defined.

Sec. 219. Collection of child support.

Sec. 220. Non-dischargeability of certain educational benefits and loans.

Subtitle C—Other Consumer Protections

Sec. 221. Amendments to discourage abusive bankruptcy filings.

Sec. 222. Sense of Congress.

Sec. 223. Additional amendments to title 11, United States Code.

Sec. 224. Protection of retirement savings in bankruptcy.

Sec. 225. Protection of education savings in bankruptcy.

Sec. 226. Definitions.

Sec. 227. Restrictions on debt relief agencies.

Sec. 228. Disclosures.

Sec. 229. Requirements for debt relief agencies.

Sec. 230. GAO study.

TITLE III—DISCOURAGING BANKRUPTCY ABUSE

Sec. 301. Reinforcement of the fresh start.

Sec. 302. Discouraging bad faith repeat filings.

Sec. 303. Curbing abusive filings.

Sec. 304. Debtor retention of personal property security.

Sec. 305. Relief from the automatic stay when the debtor does not complete an authorized plan or reaffirm a consumer debt collateral.

Sec. 306. Giving secured creditors fair treatment in chapter 13.

Sec. 307. Domiciliary requirements for exemptions.

Sec. 308. Residency requirement for homestead exemption.

Sec. 309. Protecting secured creditors in chapter 13 cases.

Sec. 310. Limitation on luxury goods.

Sec. 311. Automatic stay.

Sec. 312. Extension of period between bankruptcy discharges.

Sec. 313. Definition of household goods and antiques.

Sec. 314. Debtor in possession pay non-dischargeable debts.

Sec. 315. Giving creditors fair notice in chapter 13 cases.

Sec. 316. Dismissal for failure to timely file schedules or provide required information.

Sec. 317. Adequate time to prepare for hearing on confirmation of plan.

Sec. 318. Chapter 13 plans to have a 5-year duration in certain cases.


Sec. 320. Prompt relief from stay in individual cases.

Sec. 321. Chapter 11 cases filed by individuals.
SEC. 102. DISMISSAL OR CONVERSION.

(a) In General.—Section 707 of title 11, United States Code, is amended—

(i) by striking the section heading and inserting "Section 707. Dismissal of a case or conversion to a case under chapter 11 or 13"; and

(ii) in subsection (b), inserting "(1)" after "(b)"; and

(B) in paragraph (1), as redesignated by subparagraph (A) of this paragraph—

(i) in the first sentence—

(1) by striking "the court, and the spouse of the debtor in a joint case) who is not a dependent and who is unable to pay for the care and support of an elderly, chronically ill, or disabled person, or for the care of a child of the debtor, whose reasonable and necessary expenses may include the actual expenses for each dependent child under the age of 18 years up to $1,500 per child to attend a private elementary or secondary school, if the debtor provides documentation of such expenses and a detailed explanation of why such expenses are reasonable and necessary; and (ii) the debtor’s average monthly payments on account of secured debts shall be calculated as—

(I) the sum of—

(aa) the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition; (bb) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain the debtor’s primary residence, motor vehicle, or other property necessary for the support of the debtor and the debtor’s dependents, that serves as collateral for secured debts, divided by (III) 60.

(mm) any additional payments to secured creditors necessary for the debtor, in filing a plan under chapter 13 of this title, to maintain the debtor’s primary residence, motor vehicle, or other property necessary for the support of the debtor and the debtor’s dependents, that serves as collateral for secured debts, divided by (IV) 60.

(iv) The debtor’s monthly expenses for all priority claims (including priority child support and alimony claims) shall be calculated as—

(I) the total amount of debts entitled to priority, divided by (II) 60.

(B) in any proceeding brought under this subsection, the presumption of abuse may only be rebutted by demonstrating special circumstances that justify additional expenses or adjustments of current monthly income for which there is no reasonable alternative.

(ii) in order to establish special circumstances, the debtor shall be required to—

(1) itemize the additional or adjustment to income; and

(2) provide—

(a) documentation for such expense or adjustment to income; or

(b) a detailed explanation of the special circumstances that make such expenses or adjustment to income necessary and reasonable.

(iii) The debtor shall attest under oath to the accuracy of any information provided to demonstrate that additional expenses or adjustments to income are required.

(iv) The presumption of abuse may only be rebutted if the additional expenses or adjustments to income are required.

(v) The court shall order the counsel (other than a trustee, United States trustee, or the bankruptcy administrator) under this subsection if—

(i) the court does not grant the motion; and

(ii) the court finds that—

(A) the party brought the motion solely for the purpose of coercing a debtor into waiving a right guaranteed to the debtor under this title; or

(B) a small business that has a claim of an aggregate amount less than $1,000 shall not be subject to subparagraph (A)(i).

(C) the court finds that—

(i) the term ‘small business’ means an unincorporated business, partnership, corporation, association, or organization that—

(aa) has less than 25 full-time employees as determined on the date the motion is filed; and

(bb) is engaged in commercial or business activity; and

(ii) the number of employees of a wholly owned subsidiary of a corporation includes the employees of the corporation.
monthly income of the debtor, or in a joint case, the debtor and the debtor’s spouse, as of the date of the order for relief, when multiplied by 12, is equal to or less than—

(A) the term ‘crime of violence’ has the meaning given that term in section 16 of title 18;

(B) the term ‘drug trafficking crime’ has the meaning given that term in section 922(h)(4); and

(2) The United States trustee or bankruptcy administrator shall, not later than 30 days after the date of filing a statement under paragraph (1), either file a motion to dismiss or convert under section 707(b) or file a statement setting forth the reasons the United States trustee or bankruptcy administrator does not believe that such a motion would be appropriate, if the United States trustee or bankruptcy administrator determines that the debtor’s current monthly income, multiplied by 12 is not less than—

(A) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census; or

(B) the product of the debtor’s current monthly income, multiplied by 12 exceeds 100 percent, but does not exceed 115 percent, of the median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

(C) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census, plus $525 per month, for each individual in excess of 4.

(3) The United States trustee or bankruptcy administrator shall review all materials filed by the debtor and, not later than 10 days after the date of the first meeting of creditors, file with the court a statement as to whether the debtor’s case would be presumed to be an abuse under section 707(b), and

(4) If the United States trustee or bankruptcy administrator determines that the debtor’s current monthly income, multiplied by 12 is not less than—

(A) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census; or

(B) the product of the debtor’s current monthly income, multiplied by 12 exceeds 100 percent, but does not exceed 115 percent, of the median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

(C) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census, plus $525 per month, for each individual in excess of 4.

(5) No judge, United States trustee, panel trustee, bankruptcy administrator or other party in interest may bring a motion under paragraph (2), if the current monthly income of the debtor and the debtor’s spouse combined, as of the date of the order for relief when multiplied by 12, is equal to or less than—

(A) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census; or

(B) the product of the debtor’s current monthly income, multiplied by 12 exceeds 100 percent, but does not exceed 115 percent, of the median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

(C) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census, plus $525 per month, for each individual in excess of 4.

(6) In any case in which a motion to dismiss or convert, or a statement is required to be filed by this subsection, the United States trustee or bankruptcy administrator shall file a motion to dismiss pursuant to section 707(b)(2) if the product of the debtor’s current monthly income, multiplied by 12 exceeds 100 percent, but does not exceed 115 percent, of the median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

(7) In any case in which a motion to dismiss or convert, or a statement is required to be filed as provided in paragraph (6), the court shall, not later than 10 days after the date of the filing of a statement under section 707(b) or the product of the debtor’s current monthly income, multiplied by 12 is not less than—

(A) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census; or

(B) the product of the debtor’s current monthly income, multiplied by 12 exceeds 100 percent, but does not exceed 115 percent, of the median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

(C) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census, plus $525 per month, for each individual in excess of 4.

(8) The United States trustee, bankruptcy administrator or other party in interest may bring a motion under paragraph (2) if the current monthly income of the debtor and the debtor’s spouse combined, as of the date of the order for relief when multiplied by 12, is equal to or less than—

(A) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census; or

(B) the product of the debtor’s current monthly income, multiplied by 12 exceeds 100 percent, but does not exceed 115 percent, of the median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

(C) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census, plus $525 per month, for each individual in excess of 4.

(9) The motion to dismiss or convert under paragraph (2) shall be determined in accordance with subparagraphs (A) and (B) of section 707(b)(2), if the debtor has—

(a) filed and for charitable contributions (that do not exceed 15 percent of gross income of the debtor for the year in which the contributions are made); and

(b) the product of the debtor’s current monthly income, multiplied by 12 exceeds 100 percent, but does not exceed 115 percent, of the median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; and

(c) the median family income of the applicable State for 1 earner last reported by the Bureau of the Census, plus $525 per month, for each individual in excess of 4.

[...]

(A) the term ‘crime of violence’ has the meaning given that term in section 16 of title 18; and

(B) the term ‘drug trafficking crime’ has the meaning given that term in section 922(h)(4).
March 1, 2001

SEC. 106. CREDIT COUNSELING.

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

"(b)(1) Subject to paragraphs (2) and (3), and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the 180-day period preceding the date of filing of the petition of that individual, received nonprofit budget and credit counseling agency described in section 111(a) an individual or group briefing (including a briefing conducted by telephone or on the Internet) that outlined the opportunities for available credit counseling and assisted that individual in performing a related budget analysis.

"(2) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall consult with a debt

(b) SELECTION OF DISTRICTS.—The Director shall select 6 judicial districts of the United States in which to test the effectiveness of the financial management training curriculum and materials with the following:

(1) In general.—During the 18-month period beginning on the date of filing of the petition of that

(2) Use.—For an 18-month period beginning not later than 270 days after the date of enactment of this Act, such curriculum and materials shall be, for the 6 judicial districts selected under paragraph (1), used as the instructional course concerning personal financial management described in section 111 of title 11, United States Code.

(c) EVALUATION.—

(1) In general.—During the 18-month period described in subsection (b), the Director shall evaluate the effectiveness of—

(2) To the extent that such

(b) ST CY.—

(1) In general.—Not later than 2 years after the date of enactment of this Act, the Director of the Executive Office for United States Trustees shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives containing the findings of the Director regarding the utilization of Internal Revenue Service standards for determining—

(2) The report shall include recommendations for amendments to title 11, United States Code, that are consistent with the findings of the Director under paragraph (1).

(b) DEBTORS.'
“(1) The United States trustee or bankruptcy administrator shall have thoroughly reviewed the qualifications of the credit counseling agency or of the provider of the instructional course under the standards set forth in this section, and the programs or instructional courses which will be offered by such agency or provider, and may require an agency or instructional course which has sought approval to provide information with respect to such review.

“(2) The United States trustee or bankruptcy administrator shall have determined that the credit counseling agency or course of instruction fully satisfies the applicable standards as set forth in this section.

“(3) When an agency or course of instruction is initially approved, such approval shall be for a probationary period not to exceed 2 years.

“(4) At the conclusion of the probationary period under paragraph (3), the United States trustee or bankruptcy administrator may only approve for an additional 1-year period, and for successive 1-year periods thereafter, any agency or course of instruction which has demonstrated during the probationary or subsequent periods that such agency or course of instruction—

“(A) has met the standards set forth under this section during such period; and

“(B) can satisfy such standards in the future.

“(5) Not later than 30 days after any final decision under paragraph (4), that occurs either at the conclusion of the initial probationary period, or after any 2-year period thereafter, an interested person may seek judicial review of such decision in the appropriate District Court.

“(c) (1) The United States trustee or bankruptcy administrator shall only approve a credit counseling agency that demonstrates that it will provide qualified counselors, maintain adequate provision for safekeeping and payment of client funds, provide adequate counseling with respect to client credit problems, and deal responsibly and effectively with other matters as relate to the quality, effectiveness, and financial security of such services.

“(2) To be approved by the United States trustee or bankruptcy administrator, a credit counseling agency shall, at a minimum—

“(A) be a nonprofit budget and credit counseling agency, the majority of the board of directors of which—

“(i) is not employed by the agency; and

“(ii) will not directly or indirectly benefit financially from the outcome of a credit counseling session;

“(B) if a fee is charged for counseling services, charge a reasonable fee, and provide services without regard to ability to pay the fee;

“(C) provide for safekeeping and payment of client funds, including an annual audit of the trust accounts and appropriate employee bonding;

“(D) provide full disclosures to clients, including funding sources, counselor qualifications, possible impact on credit reports, and any costs of such program that will be paid by the debtor and how such costs will be paid;

“(E) provide adequate counseling with respect to client credit problems that includes an analysis of their current situation, what brought them to that financial status, and how they can develop a plan to handle the problem without incurring negative amortization.

“(F) provide trained counselors who receive no commissions or bonuses based on the counseling session outcome, and who have adequate experience, and have been adequately trained to provide counseling services to individuals in financial difficulty, including the matters described in subparagraph (E);

“(G) demonstrate adequate experience and background in providing credit counseling; and

“(H) have adequate financial resources to provide continuing support services for budgeting plans over the life of any repayment plan.

“(d) The United States trustee or bankruptcy administrator shall only approve an instructional course concerning personal financial management—

“(1) for an initial probationary period under subsection (b)(3) if the course will provide at a minimum—

“(A) trained personnel with adequate experience and training in providing effective instruction and services;

“(B) learning materials and teaching methodologies designed to assist debtors in understanding personal financial management and that are consistent with stated objectives directly related to the goals of such course of instruction;

“(C) adequate facilities situated in reasonably convenient locations at which such instructional course is offered; except that such facilities may include the provision of such course of instruction or program by telephone or through the Internet, if the course of instruction or program is effective; and

“(D) the preparation and retention of reasonable records (which shall include the development and maintenance of a case-by-case record) to permit an evaluation of the effectiveness of such course of instruction or program, including any evaluation of satisfaction of course of instruction or program requirements for each debtor attending such course of instruction or program, which shall be available for inspection and evaluation by the Executive Office for United States Trustees, the United States trustee, bankruptcy administrator, or chief bankruptcy judge for the district in which such course of instruction or program is offered; and

“(2) for any 1-year period if the provider thereof has demonstrated that the course meets the standards of paragraph (1) and, in addition—

“(A) has been effective in assisting a substantial number of debtors to understand personal financial management; and

“(B) is otherwise likely to increase substantially debtor understanding of personal financial management.

“(e) The District Court may, at any time, investigate the qualifications of a credit counseling agency referred to in subsection (a), and request production of documents to ensure the integrity and effectiveness of such credit counseling agencies. The District Court may, at any time, remove from the approved list under subsection (a) a credit counseling agency if such agency does not meet the qualifications of subsection (b).

“(f) The United States trustee or bankruptcy administrator shall notify the clerk that a credit counseling agency or an instructional course is no longer approved, in which case the clerk shall remove it from the list maintained under subsection (a).

“(g) (1) No credit counseling service may provide to a credit reporting agency information concerning the credit counseling experience of an individual debtor who has received or sought instruction concerning personal financial management from the credit counseling service.

“(2) A credit counseling service that willfully or negligently fails to comply with any requirement under this title with respect to a debtor shall be liable for damages in an amount equal to the sum of—

“(A) any actual damages sustained by the debtor as a result of the violation; and

“(B) any court costs or reasonable attorney’s fees (as determined by the court) incurred in an action to recover those damages.

“SEC. 111. CREDENTIAL—is the table of sections for chapter 1 of title 11, United States Code, is amended by adding at the end the following:

“111. Credit counseling services; financial management instructional courses.”.

“(f) LIMITATION.—Section 362 of title 11, United States Code, is amended by adding at the end the following:

“(v) If a case commenced under chapter 7, 11, or 13 is dismissed due to the creation of a debt repayment plan, for purposes of subsection (c)(3), any subsequent case commenced by the debtor under any such chapter shall not be presumed to be filed not in good faith.

“(v) On request of a party in interest, the court shall issue an order under subsection (c) confirming that the automatic stay has been terminated.

“SEC. 107. SCHEDULES OF REASONABLE AND NECESSARY EXPENSES.

“For purposes of section 707(b) of title 11, United States Code, as amended by this Act, the Director of the Executive Office for United States Trustees shall, not later than 180 days after the date of enactment of this Act, prepare a schedule of reasonable and necessary administrative expenses of administering a chapter 13 plan for each judicial district of the United States.

“TITLE II—ENHANCED CONSUMER PROTECTION

Subtitle A—Penalties for Abusive Creditor Practices

SEC. 201. PROMOTION OF ALTERNATIVE DISPUTE RESOLUTION (a) REDUCTION OF CLAIM.—Section 502 of title 11, United States Code, is amended by adding at the end the following:

“(c) (1) The offer of the debtor under subparagraph (A) was made at least 60 days before the filing of the petition; and

“(ii) provided for payment of at least 60 percent of the amount of the debt over a period not to exceed the repayment period of the loan, or a reasonable extension thereof; and

“(C) no part of the debt under the alternative repayment schedule is nondischargeable.

“(b) The debtor shall have the burden of proving, by clear and convincing evidence, that—

“(A) the creditor unreasonably refused to negotiate a reasonable alternative repayment schedule proposed by an approved credit agency described in section 111 acting on behalf of the debtor;

“(B) the offer of the debtor under subparagraph (A) was made at least 60 days before the filing of the petition; and

“(ii) provided for payment of at least 60 percent of the amount of the debt over a period not to exceed the repayment period of the loan, or a reasonable extension thereof; and

“(C) no part of the debt under the alternative repayment schedule is nondischargeable.

“(b) LIMITATION ON AVOIDABILITY.—Section 547 of title 11, United States Code, is amended by adding at the end the following:

“(1) The court, on the motion of the debtor and after a hearing, may reduce a claim filed under this section based in whole or in part on unsecured consumer debts by no more than 20 percent of the amount of such consumer debts.

“(A) the claim was filed by a creditor who unreasonably refused to negotiate a reasonable alternative repayment schedule proposed by an approved credit agency described in section 111 acting on behalf of the debtor;
and any creditor of the debtor created by an approved credit counseling agency.’’.

SEC. 202. EFFECT OF DISCHARGE.

Section 524 of title 11, United States Code, is amended by adding at the end the following:

‘‘(1) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization under chapter 11 of this title), unless the plan is dismissed, in default, or the creditor has not received payments required to be made under the plan in the manner required by the plan (including crediting the amounts required under the plan), shall constitute a violation of an injunction under subsection (a)(2) if the act of the creditor is to collect and fail to credit payments in the manner required by the plan caused material injury to the debtor.

‘‘(2) Subsection (a)(2) does not operate as an injunction against an act by a creditor that is the holder of a secured claim, if—

‘‘(i) such creditor retains a security interest in real property that is the principal residence of the debtor;

‘‘(ii) such act is in the ordinary course of business between the creditor and the debtor; and

‘‘(iii) such act is limited to seeking or obtaining periodic payments associated with a valid security interest in lieu of pursuant of in rem rights under the Truth in Lending Act (15 U.S.C. 1607 et seq.), then—

‘‘(1) the annual percentage rate determined under paragraphs (5) and (6) of section 127(b) of the Truth in Lending Act (15 U.S.C. 1607(b)(5) and (6)), as disclosed to the debtor in the most recent periodic statement prior to the agreement or, if no such periodic statement has been provided the debtor during the prior 6 months, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given to the debtor, or to the extent this annual percentage rate is not readily available or not applicable, then

‘‘(2) the simple interest rate applicable to the amount reaffirmed as of the date the disclosure statement is given to the debtor, or, if different simple interest rates apply to different balances, the simple interest rate applicable to each balance, identifying the amount of each such balance included in the amount reaffirmed, or

‘‘(3) if the entity making the disclosure elects, to disclose the annual percentage rate under clause (1) and the simple interest rate under subclause (II);

‘‘(4) if, at the time the petition is filed, the debtor received the disclosures described in subsection (k) at or before the time at which the debtor signed the agreement;

‘‘(5) by adding at the end the following:

‘‘(k)(1) The disclosures required under subsection (c)(2) shall consist of the disclosure statement described in paragraph (3), completed as required in that paragraph, together with the agreement, statement, declaration, motion and order described, respectively, in paragraphs (4) through (8), and shall include the disclosures required in connection with the reaffirmation.

‘‘(2) Disclosures made under paragraph (1) shall be made clearly and conspicuously and in writing. The ‘Amount Reaffirmed’ and ‘Annual Percentage Rate’ shall be disclosed more conspicuously than other terms, data or information provided in connection with this disclosure, except that the phrases ‘Before agreeing to reaffirm a debt, review these important disclosures’ and ‘Summary of Reaffirmation Agreement’ may be equally conspicuous. Disclosures may be made in a different order and may use terminology different from that set forth in paragraphs (2) through (8), except that the terms ‘Amount Reaffirmed’ ‘Annual Percentage Rate’ must be used where indicated.

‘‘(3) The disclosure statement required under this paragraph shall consist of the following:

‘‘(A) The statement: ‘Part A: Before agreeing to reaffirm a debt, review these important disclosures’:

‘‘(B) the heading ‘Summary of Reaffirmation Agreement’, the statement: ‘This Summary is made pursuant to the requirements of the Bankruptcy Code’;

‘‘(C) the ‘Amount Reaffirmed’, using that term, which shall be—

‘‘(i) the total amount which the debtor agrees to reaffirm, and

‘‘(ii) any other fees or costs accrued as of the date of the disclosure statement.

‘‘(D) in conjunction with the disclosure of the ‘Amount Reaffirmed’, the statement—

‘‘(1) ‘The amount of debt you have agreed to reaffirm;’ and

‘‘(2) your credit agreement may obligate you to pay additional amounts which may come due after the date of this disclosure. Consult your credit agreement.’’

‘‘(E) The ‘Annual Percentage Rate’, using that term, which shall be disclosed as—

‘‘(i) if, at the time the petition is filed, the debt is open end credit as defined under the Truth in Lending Act (15 U.S.C. 1601 et seq.), then—

‘‘(1) the annual percentage rate determined under paragraphs (5) and (6) of section 127(b) of the Truth in Lending Act (15 U.S.C. 1607(b)(5) and (6)), as disclosed to the debtor in the most recent periodic statement prior to the agreement or, if no such periodic statement has been provided the debtor during the prior 6 months, the annual percentage rate as it would have been so disclosed at the time the disclosure statement is given to the debtor, or to the extent this annual percentage rate is not readily available or not applicable, then

‘‘(2) the simple interest rate applicable to the amount reaffirmed as of the date the disclosure statement is given to the debtor, or, if different simple interest rates apply to different balances, the simple interest rate applicable to each balance, identifying the amount of each such balance included in the amount reaffirmed, or

‘‘(3) if the entity making the disclosure elects, to disclose the annual percentage rate under clause (1) and the simple interest rate under subclause (II);

‘‘(ii) if, at the time the petition is filed, the debt is closed end credit as defined under the Truth in Lending Act (15 U.S.C. 1601 et seq.), then—

‘‘(1) the annual percentage rate under section 127(a)(4) of the Truth in Lending Act (15 U.S.C. 1638(a)(4)), as disclosed to the debtor in the most recent disclosure statement given to the creditor prior to the reaffirmation agreement with respect to the debt, or, if no such disclosure statement was provided the debtor, the annual percentage rate as it would have been so disclosed at the time the debtor signed the agreement, or to the extent this annual percentage rate is not readily available or not applicable, then

‘‘(2) the simple interest rate applicable to the amount reaffirmed as of the date the disclosure statement is given to the debtor, or, if different simple interest rates apply to different balances, the simple interest rate applicable to each balance, identifying the amount of each such balance included in the amount reaffirmed, or

‘‘(3) if the entity making the disclosure elects, to disclose the annual percentage rate under clause (1) and the simple interest rate under subclause (II);

‘‘(F) if the underlying debt transaction was disclosed under the most recent disclosure given under the Truth in Lending Act (15 U.S.C. 1601 et seq.), by stating ‘The interest rate on your loan may be a variable interest rate which changes from time to time, so that the annual percentage rate disclosed here may be higher or lower.’;

‘‘(G) if the debt is secured by a security interest which has not been waived in whole or in part or determined to be void by a final order of the court at the time of the disclosure, by stating ‘You may also be liable in goods or property is asserted over some or all of the obligations you are reaffirming and listing the items and their values that are subject to the asserted security interest, or if not a purchase-money security interest then listing by items or types and the original amount of the loan.

‘‘(H) At the election of the creditor, a statement of the repayment schedule using one or a combination of the following:

‘‘(i) by making the statement: ‘Your first payment in the amount of $____ is due on ______, but the future payment amount may be different.’

‘‘(ii) ‘The’ ‘Amount Reaffirmed’ ‘credit agreement, as applicable’, and stating the amount of the first payment and the due date of that payment in the places provided; by making the statement: ‘Your payment schedule will be’, and describing the repayment schedule with the number, amount and due dates of payments the debtor is required to make; or by stating the amount of the first payment, the required amount to repay the obligations reaffirmed as an amount and a currency code; or

‘‘(iii) by describing the debtor’s repayment obligations with reasonable specificity to the extent then known by the disclosing party;

‘‘(I) the following statement: ‘Note: When this disclosure refers to what a creditor ‘may’ do, it does not use the word ‘may’ to give the creditor specific permission. The ‘May’ is used to signal that something might occur if the law permits the creditor to take the action. If you have questions about your reaffirmation or what the law requires, talk to your attorney who helped you negotiate this agreement. If you don’t have an attorney helping you, the judge will explain the effect of your reaffirmation when the reaffirmation hearing is held.’’

‘‘(J)(1) The following additional statements:

‘‘Reaffirming a debt is a serious financial decision. The law requires you to take certain steps to make sure the decision is in your best interest. If these steps are not completed, the reaffirmation agreement is not effective, even though you have signed it.’’

‘‘1. Read the disclosures in this Part A carefully. Consider the decision to reaffirm carefully. Then, if you want to reaffirm, sign the reaffirmation agreement in Part B (or you may use a separate agreement you and your creditor agree on).

‘‘2. Complete and sign Part D and be sure you can afford to make the payments you promise. If you intend to make a copy of the disclosure statement and a completed and signed reaffirmation agreement.

‘‘3. If you were represented by an attorney during the negotiation of the reaffirmation agreement, the attorney must have signed the certification in Part C.

‘‘4. If you were not represented by an attorney during the negotiation of the reaffirmation agreement, you must have had a copy of the disclosure statement and a completed and signed reaffirmation agreement.

‘‘5. The original of this disclosure must be filed with the court by you or your creditor. If a separate reaffirmation agreement (other than the one in Part B) has been signed, it must be attached.

‘‘6. If you were represented by an attorney during the negotiation of the reaffirmation agreement, your reaffirmation agreement becomes effective upon filing with the court unless the reaffirmation is presumed to be an undue hardship as explained in Part D.

‘‘7. If you were not represented by an attorney during the negotiation of the reaffirmation agreement, it will not be effective unless the court approves it. The court will notify you of the hearing on your reaffirmation agreement. You must attend this hearing. If you are represented by an attorney, your attorney will review your agreement. The bankruptcy court must approve the agreement as consistent with your best interests, except that approval is unnecessary if the reaffirmation agreement is for a consumer debt secured by a mortgage, deed of trust, security deed or

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other lien on your real property, like your home.

‘Your right to rescind a reaffirmation. You may rescind (cancel) your reaffirmation at any time before the bankruptcy court enters a discharge order or within 60 days after the agreement is filed with the court, whichever is longer. To rescind or cancel, you must notify the creditor that the agreement is canceled.

‘What are your obligations if you reaffirm a debt? A reaffirmed debt remains your personal legal obligation. It is not discharged in your bankruptcy. That means that if you default on your reaffirmed debt after your bankruptcy is completed, you may be able to take your property or your wages. Otherwise, your obligations will be determined by the reaffirmation agreement which may have changed the terms of the original agreement. For example, if you are reaffirming an open end credit agreement, the creditor may be permitted by that agreement or applicable law to change the terms of the agreement in the future under certain conditions.

‘Are you required to enter into a reaffirmation agreement by any law? No, you are not required to reaffirm a debt by any law. Only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments required by the agreement.

‘What if your creditor has a security interest or lien? Your bankruptcy discharge does not affect a lien on your personal property. A ‘lien’ is often referred to as a security interest, deed of trust, mortgage or security deed. Even if you do not reaffirm your personal liability on the debt is discharged, because of the lien your creditor may still have the right to take the security property if you do not pay the debt or default on it. If the lien is on an item of personal property that is exempt under your State’s law or that the trustee has abandoned, you may be able to redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the security property, as agreed by the parties or determined by the court.

‘(ii) In the case of a reaffirmation under subsection (m)(2), numbered paragraph 6 in the disclosures required by clause (i) of this subparagraph shall consist of the following:

‘(B) In the case of a reaffirmation in which the debtor is required to make monthly payments associated with a principal residence;

‘(C) In the case of a reaffirmation agreement, which the debtor shall sign and date prior to filing with the court, shall consist of the following:

‘Part D: Debtor’s Statement in Support of Reaffirmation Agreement.

‘1. I believe this reaffirmation will not impose an undue hardship on my dependents or me. I can afford to make the payments on the reaffirmed debt because my monthly income (take home pay plus any other income received) is $ , and my actual current monthly expenses including monthly payments on post-bankruptcy debt and other reaffirmation agreements total $ , leaving $ to make the required payments on this reaffirmed debt. I understand that if my income less my monthly expenses does not provide in order to it be effective, this reaffirmation agreement is presumed to be an undue hardship on me and must be reviewed by the court. However, this presumption may be rebutted in writing by the court if the debtor’s monthly income less the debtor’s monthly expenses as shown on the debtor’s completed and signed statement in support of the reaffirmation agreement required under subsection (k)(6)(A) is less than the scheduled payments on the reaffirmed debt. This presumption shall be reviewed by the court. The presumption may be rebutted in writing by the debtor if the statement includes an explanation which identifies additional sources of income that may be available to make the payments.

‘2. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.

‘(B) Where the debtor is represented by counsel and is reaffirming a debt owed to a creditor defined in section 19(b)(1)(A)(iv) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(iv)), the statement of support of the reaffirmation agreement, which the debtor shall sign and date prior to filing with the court, shall consist of the following:

‘I believe this agreement is in my financial interest. I can afford to make the payments on the reaffirmed debt. I received a copy of the Reaffirmation Disclosure Statement in Part A and a completed and signed reaffirmation agreement.

‘The motion, which may be used if approval of the agreement by the court is required in order to it be effective, shall be signed and dated by the moving party, shall consist of the following:

‘Part E: Motion for Court Approval (To be completed if the debtor is not represented by an attorney.)

‘1. I am not represented by an attorney in connection with this reaffirmation agreement.

‘The court order, which may be used to approve a reaffirmation, shall consist of the following:

‘Court Order: The court grants the debtor’s motion and approves the reaffirmation agreement described above.

‘(B) such a creditor retains a security interest in real property that is the debtor’s principal residence;

‘(C) such act is limited to seeking or obtaining a discharge in a bankruptcy court of any obligation to make a monthly payment on a debt that is owed to a creditor defined in section 19(b)(1)(A)(iv) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(iv)).

‘(d) BANKRUPTCY PROCEDURES.

‘(1) IN GENERAL.—Chapter 9 of title 18, United States Code, is amended by adding at the end the following:

‘(2) This subsection does not apply to reaffirmation agreements where the creditor is a trustee, representative of the estate, or a debtor under a reaffirmation agreement as defined in section 19(b)(1)(A)(iv) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(iv)).

‘(b) LAW ENFORCEMENT.—

‘(1) IN GENERAL.—The Attorney General of the United States shall designate the individuals described in subsection (b) to have primary responsibility in carrying out enforcement activities of the provisions of section 152 or 157 relating to abusive reaffirmations of debt. In addition to addressing the violations referred to in the preceding sentence, the Attorney General shall prescribe procedures for referring any case which may contain a materially fraudulent, deceptive, or materially fraudulent statement in bankruptcy schedules that are intentionally false or intentionally misleading.

‘(b) UNITED STATES DISTRICT ATTORNEYS AND AGENTS OF THE FEDERAL BUREAU OF INVESTIGATION TO ADDRESS ABUSIVE REAFFIRMATIONS OF DEBT AND MATERIALLY FRAUDULENT STATEMENTS IN BANKRUPTCY SCHEDULES.—

‘(1) A United States attorney for each judicial district of the United States; and

‘(2) an agent of the Federal Bureau of Investigation (within the meaning of section 3107) for each field office of the Federal Bureau of Investigation.

‘(c) BANKRUPTCY INVESTIGATIONS.—Each United States attorney designated under this section, in addition to any other responsibilities, have primary responsibility for carrying out the duties of a United States attorney under section 3057.

‘(d) BANKRUPTCY COURT.—The bankruptcy courts shall establish procedures for referring any case which may contain a materially fraudulent, deceptive, or materially fraudulent statement in bankruptcy schedules that are intentionally false or intentionally misleading.
(2) CLERICAL AMENDMENT.—The analysis for chapter 9 of title 11, United States Code, is amended by adding at the end the following:

"158. Designation of United States attorneys in cases filed by such person or is filed by a governmental unit) of such amounts due after the date on which the petition was filed are owed to or recoverable by—

(1) a spouse, former spouse, child of the debtor or such child’s parent, legal guardian, or responsible relative; or

(2) a government or governmental unit; and

(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent, legal guardian, or responsible relative of the child for the purpose of collecting the debt;"

SEC. 212. PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

"(1A) ‘domestic support obligation’ means a debt that accrues before or after the entry of an order for relief under this title, including interest that accrues on that debt, as provided under applicable nonbankruptcy law notwithstanding any other provision of this title, that is—

(A) owed to or recoverable by—

(i) a spouse, former spouse, or child of the debtor or such child’s parent, legal guardian, or responsible relative; or

(ii) a governmental unit; and

(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, child, or such child’s parent, without regard to whether such debt is expressly so designated;

(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

(i) a separation agreement, divorce decree, or property settlement agreement;

(ii) an order of a court of record; or

(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent, legal guardian, or responsible relative of the child for the purpose of collecting the debt;"

SEC. 213. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.

Title 11, United States Code, is amended—

(1) in section 112(b), by adding at the end the following:

"(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has the right to receive unearned amounts owed to the debtor as provided for in section 507(a)(1)(B) only if the plan provides that all of the debtor’s projected disposable income for a 5-year period beginning on the date that the first payment is due under the plan will be applied to make payments under the plan;"

(2) in section 122(b)—

(A) by redesigning paragraph (1) and inserting in paragraph (4), as redesignated—

(A) by striking ‘‘First’’ and inserting ‘‘Second’’; and

(B) by striking the semicolon at the end; and

(B) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(C) by redesigning, by striking ‘‘Second’’ and inserting ‘‘Third’’; and

(D) by redesigning, by striking ‘‘Third’’ and inserting ‘‘Fourth’’; and

(D) by inserting paragraph (7) and inserting at the end and inserting ‘‘Fifth’’; and

(E) in paragraph (5), as redesignated, by striking ‘‘Fourth’’ and inserting ‘‘Fifth’’;

(F) in paragraph (6), as redesignated, by striking ‘‘Fifth’’ and inserting ‘‘Sixth’’;

(G) in paragraph (7), as redesignated, by striking ‘‘Sixth’’ and inserting ‘‘Seventh’’; and

(H) by inserting before paragraph (2), as redesignated, the following:

"(1) First:

(A) Allowed unsecured claims for domestic support obligations that, as of the date of the filing of the petition on unsecured claims that are non-dischargeable under section 1328(a), except that such interest may be paid only to the extent that the debtor has disposable income available to pay such interest after making provision for full payment of all allowed claims;"

(2) in section 122(b)—

(A) by redesignating paragraph (1) as paragraph (12); and

(B) by inserting after paragraph (10) the following:

"(11) the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first becomes payable after the date on which the petition is filed;"

(10) in section 1325(a) (as amended by this Act), by adding at the end the following:

"(8) the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid" after ‘‘completion of the plan’’; and

(11) in section 1325(a), in the matter preceding paragraph (1), by inserting ‘‘, and in the case of a debtor who is required by a judicial or administrative order or statute to pay a domestic support obligation, after such debtor certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before the petition was filed, but only to the extent provided for in the plan) have been paid’’ after ‘‘completion of the plan’’; and

SEC. 214. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.

Section 362 of title 11, United States Code, is amended by striking paragraph (2) and inserting the following:

"(2) in the case of a debtor in a case under chapter 13 or chapter 11, the court may, for cause shown by the debtor, authorize the commencement or continuation of a civil action or proceeding—

(i) for the establishment of paternity;
“(ii) for the establishment or modification of an order for domestic support obligations;“
“(iii) concerning child custody or visitation;“
“(iv) for the dissolution of a marriage, except to the extent that such proceeding seeks to determine the division of property that is property of the estate; or“
“(v) restraining domestic violence;“
“(B) the collection of a domestic support obligation from property that is not property of the estate;“
“(C) subject to the withholding of income, that is property of the estate or property of the debtor for payment of a domestic support obligation under a judicial or administrative order;“
“(D) the withholding, suspension, or restriction of drivers’ licenses, professional and occupational licenses, and recreational licenses under State law, as specified in section 666(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16));“
“(E) the reporting of overdue support owed by a parent to any consumer reporting agency as specified in section 666(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));“
“(F) the interception of tax refunds, as specified in sections 664 and 666(a)(3) or under an analogous State law; or“
“(G) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).”

SEC. 215. NONDISCHARGEABILITY OF CERTAIN DEBTORS’ ALIMONY, MAINTENANCE, AND SUPPORT.

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a)—

(A) by striking paragraph (5) and inserting the following:

“(5) for a domestic support obligation;“

(B) in paragraph (1), by striking “a spouse, former spouse, or child of the debtor” and before “not of the kind”;

(C) by striking “or” after “court of record;” and

(D) by striking “unless—” and all that follows through the end of the paragraph and inserting “a discharge under section 727, notify the holder of that claim and the State child support agency of the State in which that holder resides of—“

(1) the granting of the discharge;“

(2) the last known address of the debtor;“

(III) the last recent known name and address of the debtor’s employer; and“

(IV) with respect to the debtor’s case, the name of each creditor that holds a claim that—“

(1) is not discharged under paragraph (2), (3), or (14) of section 523(a); or“

(2) was reaffirmed by the debtor under section 524(c).“

(2) by adding after the existing paragraph (3), “or, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c);” and

(b) by adding to the end the following:

“(bb) was reaffirmed by the debtor under section 524(c).“

(2) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(ii)(IV) the last known address of the debtor.

“II. (B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.”

(c) DUTIES OF TRUSTEE UNDER CHAPTER 12.—Section 1202 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking “and” at the end;“

(B) in paragraph (5), by striking the period and inserting “; and”; and

(C) by adding at the end the following:

“(6) if, with respect to an individual debtor or, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c);” and

(2) by adding to the end the following:

“(bb) was reaffirmed by the debtor under section 524(c).“

(2) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(ii)(IV) the last known address of the debtor.

II. (B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.”

(3) In any case described in subsection (b)(6), the trustee shall—

“(A)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664, 666) for the State in which the holder resides; and“

“(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and“

“(iii) notify, in writing, the State child support agency (of the State in which the holder of the claim resides) of the claim;“

“(B)(i) notify in writing the holder of the claim of the right of that holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act (42 U.S.C. 664, 666) for the State in which the holder resides; and“

“II. (B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making that disclosure.”

SEC. 216. CONTINUED LIABILITY OF PROPERTY.

Section 522 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) by striking paragraph (5) and inserting the following:

“(5) for a domestic support obligation;“

(B) in paragraph (1), by striking “a spouse, former spouse, or child of the debtor” and before “not of the kind”;

(C) by striking “or” after “court of record;” and

(D) by striking “unless—” and all that follows through the end of the paragraph and inserting “a discharge under section 727, notify the holder of that claim and the State child support agency of the State in which that holder resides of—“

(1) the granting of the discharge;“

(2) the last known address of the debtor;“

(III) the last recent known name and address of the debtor’s employer; and“

(IV) with respect to the debtor’s case, the name of each creditor that holds a claim that—“

(1) is not discharged under paragraph (2), (3), or (14) of section 523(a); or“

(2) was reaffirmed by the debtor under section 524(c).“

(2) by adding after the existing paragraph (3), “or, there is a claim for a domestic support obligation, provide the applicable notification specified in subsection (c);” and

(3) by adding at the end the following:

“(bb) was reaffirmed by the debtor under section 524(c).“
Section 522(a) of title 11, United States Code, is amended by striking paragraph (2), (4), or (5) of the section, as redesignated, respectively; and

(2)(A) A holder of a claim or a State child support agency may request from a creditor described in paragraph (1)(B)(ii)(IV) the last recent known name and address of the holder of the claim; and

(ii) The notice under subparagraph (A)—

(1) may contain a description of examples of legal advice that a bankruptcy petition preparer is not authorized to give, in addition to any advice that the preparer may not give by reason of subsection (e)(2); and

(2) shall be signed under penalty of perjury by—

(aa) the debtor; and

(bb) the bankruptcy petition preparer, under penalty of perjury.

(3)(A) The court shall disallow and order the immediate turnover to the bankruptcy trustee any fee referred to in paragraph (2) found to be in excess of the value of any services—

(i) rendered by the preparer during the 12-month period immediately preceding the date of filing the petition; or

(ii) found to be in violation of any rule or guideline promulgated or prescribed under paragraph (1); or

(iii) the debtor's debts will be eliminated or discharged in a case under this title;

(4) in subsection (a), as redesignated, respectively;

(5) in subsection (c), as redesignated;

(B) the bankruptcy petition preparer may not offer a potential bankruptcy debtor any legal advice, including any legal advice described in paragraph (3)(i) rendered by the preparer during the 12-month period immediately preceding the date of filing the petition.

2. Any funds recovered under this section shall be paid into the bankruptcy estate and shall be used to pay administrative or other allowed expenses under section 507 of title 11.
In a bankruptcy petition, a preparer violates this section or commits any act that the court finds to be fraudulent, unfair, or deceptive, on motion of the debtor, trustee, United States trustee, or bankruptcy administrator, and after the court holds a hearing with respect to that violation or act, the court shall order the bankruptcy petition preparer to—

(10) in subsection (j)—
(A) in paragraph (2)—
(i) in subparagraph (A)(x)(I), by striking “a violation of which subjects a person to criminal penalty”;
(ii) in subparagraph (B)–
(I) by striking “or has not passed a penalty” and inserting “or a penalty”; and
(II) by inserting “or failed to disgorge all fees ordered by the court” after “a penalty imposed under this section.”;
(B) by designating paragraph (3) as paragraph (4); and
(C) by inserting after paragraph (2) the following:

“(3) The court, as part of its contempt power, may enjoin a bankruptcy petition preparer that has failed to comply with a previous order issued under this section. The injunction under this paragraph may be issued upon motion of the court, the trustee, the United States trustee, or the bankruptcy administrator, or any party in interest.

(11) by adding at the end the following:

“(1)(1) A bankruptcy petition preparer who fails to comply with any provision of subsection (a), (d), (e), (f), (g), or (h) may be fined not more than $500 for each such failure.

(2) The court shall triple the amount of a fine assessed under paragraph (1) in any case in which the court finds that a bankruptcy petition preparer—

(A) advised the debtor to exclude assets or income that should have been included on applicable schedules;

(B) advised the debtor to use a false Social Security account number;

(C) failed to inform the debtor that the preparer was filing for relief under this title; or

(D) prepared a document for filing in a manner that failed to disclose the identity of the preparer.

(3) The debtor, the trustee, a creditor, the United States trustee, or the bankruptcy administrator may file a motion for an order imposing a fine on the bankruptcy petition preparer for each violation of this section.

(4) Notwithstanding subsection (a) that distribution is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

(5) If the retirement funds are in a retirement fund that has received a favorable determination under section 7904 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

(6) If the retirement funds are in a retirement fund that has not received a favorable determination under section 7904 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

(7) In determining the amount of any tax, fine, or penalty imposed under this section, the court may consider the following:

(A) the nature and extent of the violation;

(B) the extent to which the amounts withheld and collected are used solely for payments relating to a loan from a pension or profit-sharing plan.

(8) In determining the amount of any tax, fine, or penalty imposed under this section, the court may consider the following:

(A) the nature and extent of the violation;

(B) the extent to which the amounts withheld and collected are used solely for payments relating to a loan from a pension or profit-sharing plan.

(9) If the retirement funds are in a retirement fund that has received a favorable determination under section 7904 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

(10) In determining the amount of any tax, fine, or penalty imposed under this section, the court may consider the following:

(A) the nature and extent of the violation;

(B) the extent to which the amounts withheld and collected are used solely for payments relating to a loan from a pension or profit-sharing plan.

Nothing in paragraph (10) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.

(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated by alcohol, a drug, or another substance.”.

SEC. 224. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.

(a) In General—Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking “and” and inserting “and” at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting “;”;

(iii) in paragraph (3)(A), by insertion of the following:

“(C) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.”;

(2) by striking “(2)” and inserting “(2)(A)”;

(3) by striking “(2)” and inserting “(2)(A)”;

(4) by adding at the end the following:

“(A) in paragraph (1) each place it appears and inserting “(paragraph 3)”;

(B) by striking “paragraph (2)” and inserting “paragraph (2)”;

(C) by striking “Such property is—” and inserting “Such property is—”;

(D) by adding at the end the following:

“(4) For purposes of paragraph (3)(C) and subsection (d)(12), the following shall apply:

(A) If the retirement funds are in a retirement fund that has received a favorable determination under section 7904 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

(B) If the retirement funds are in a retirement fund that has not received a favorable determination under section 7904 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

(C) by striking “such clause” and inserting “such clause”;

(D) by adding a comma at the beginning of the following:

“Section 522 of title 11, United States Code, is amended—

(1) in paragraph (7), by striking “or” at the end;

(2) in paragraph (18), by striking the period and inserting a semicolon;

(3) by inserting after paragraph (18) the following:

“(19) under subsection (a), of withholding from income of a debtor’s wages and collection of amounts withheld, under the debtor’s authority, for purposes of authorizing and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

(1) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 401(b)(1) of the Employee Retirement Income Security Act of 1974 or subject to section 72(p) of the Internal Revenue Code of 1986; or

(2) in the case of a loan from a thrift savings plan described in chapter 84 of title 5, that satisfies the requirements of section 843(g) of such title;”;

and

(4) by adding at the end the following:

“Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.”

(c) Exceptions To Discharge.—Section 523(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

“(18) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, under—

(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974, or subject to section 72(p) of the Internal Revenue Code of 1986; or

(B) a loan from the thrift savings plan described in subchapter III of chapter 84 of title 5, that satisfies the requirements of section 843(g) of such title;”.

(e) Plan Contents.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

“(1) the plan shall be in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986; or

(2) in the case of a plan that does not qualify as a governmental plan under section 414(d), or a contract or account under section 403(b) of the Internal Revenue Code of 1986, constitutes a claim or a debt under this title.”.

(f) Plan Limitation.—Section 522 of title 11, United States Code, is amended by adding at the end the following:
“(n) For assets in individual retirement accounts described in sections 408 and 408A of the Internal Revenue Code of 1986, other than a simplified employee pension plan under section 403(k), a simplified retirement account under section 408(b)(7) of that Code, the aggregate value of such assets exempted under this section, without regard to amounts attributable to rollover contributions under section 402(c), 402(e)(6), 403(a)(4), 403(a)(5), and 403(b)(8) of the Internal Revenue Code of 1986, and earnings thereon, shall not exceed $1,000,000 (which amount shall be adjusted as provided in section 101 of this title) in a case filed by an individual debtor in which such amount would otherwise be increased if the interests of justice so require.”.

SEC. 225. PROTECTION OF EDUCATION SAVINGS IN BANKRUPTCY.

(a) EXCLUSIONS.—Section 541 of title 11, United States Code, is amended—

(1) in subsection (b), in paragraph (4), by striking “or” at the end;

(b) by redesignating paragraph (5) as paragraph (10); and

(c) by inserting after paragraph (4) the following:

“(5) funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not later than 365 days before the date of the filing of the petition, but—

(A) if the designated beneficiary of such account was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were placed in such account;

(B) only to the extent that such funds—

(i) are not pledged or promised to any entity in connection with any extension of credit;

(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986); and

(C) in the case of funds placed in all such accounts having the same designated beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

(6) funds used to purchase a tuition credit or certificate or contributed to an account in accordance with section 529(b)(3)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

(A) only if the designated beneficiary of the amounts paid or contributed to such tuition program was a son, daughter, stepson, stepdaughter, grandchild, or step-grandchild of the debtor for the taxable year for which funds were paid or contributed;

(B) with respect to the aggregate amount paid or contributed to such program having the same designated beneficiary, only so much of such amount as does not exceed the total contributions permitted under section 529(b)(3)(A) of the Internal Revenue Code of 1986 under a qualified State tuition program (as defined in section 529(b)(1) of such Code) not later than 365 days before the date of filing of the petition, but—

(i) if such person becomes a debtor in a case under this title, that such person to whom such contributions were made shall be required to file with the court a record of any interest in connection with any extension of credit, and

(ii) if such person is a beneficiary not earlier than 720 days nor later than 365 days before such date, only so much of such funds as does not exceed $5,000;

(7) any prepayment by a debt relief agency of a debt incurred by an assisted person in connection with a case or proceeding under this title;

(8) amounts attributable to rollover contributions under section 402(c), 402(e)(6), 403(a)(4), 403(a)(5), and 403(b)(8) of the Internal Revenue Code of 1986, and earnings thereon, shall not exceed $1,000,000 (which amount shall be adjusted as provided in section 101 of this title) in a case filed by an individual debtor in which such amount would otherwise be increased if the interests of justice so require.”.

SEC. 226. DEFINITIONS.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (2) the following:

“(B) ‘simplified retirement account’ means any retirement account (as defined in section 4973(e) of the Internal Revenue Code of 1986); and

(2) by adding at the end the following:

“(c) In determining whether any of the requirements prescribed in section 527, or section 528 shall be void and may not be enforced by any Federal or State court, is reduced by amounts attributable to such contributions provided in this section.”.

SEC. 227. RESTRICTIONS ON DEBT RELIEF AGENCIES.

(a) ENFORCEMENT.—Subchapter II of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

“§ 526. Restrictions on debt relief agencies

(a) A debt relief agency shall not—

(1) fail to comply with any requirement of this section; and

(2) make any statement, or counsel or advise any assisted person or prospective assisted person, directly or indirectly, affirmatively or by material omission, with respect to—

(i) services that such agency will provide to such person; or

(ii) the benefits and risks that may result if such person becomes a debtor in a case under this title; or

(3) fund an assisted person or prospective assisted person, directly or indirectly, with respect to any protection or right provided under this title or to pay an attorney or bankruptcy petition preparer fee or charge for any performance under this section, in contemplation of such person filing a case under this title or to pay an attorney or bankruptcy petition preparer fee or charge for any performance under this section for or representing a debtor in a case under this title.

(b) Any waiver by any assisted person of any protection or right provided under this section shall not be enforceable against the debtor by any Federal or State court or any other person, but may be enforced against a debt relief agency.

(c)(1) Any contract for bankruptcy assistance between a debt relief agency and an assisted person that does not comply with the material requirements of this section, section 527, or section 528 shall be void and may not be enforced by any Federal or State court or any other person, other than such assisted person.

(2) Any debt relief agency shall be liable to an assisted person, or persons, any fees or charges in connection with providing bankruptcy assistance to such person that such debt relief agency has received, for actual damages of such person, and for reasonable attorneys’ fees and costs if such agency is found, after notice and hearing, to have—

(A) intentionally or negligently failed to comply with any requirement of this section, section 527, or section 528 with respect to a case or proceeding under this title for such assisted person;

(B) provided bankruptcy assistance to an assisted person in a case or proceeding under this title that is dismissed or converted to a case under another chapter of this title because of such agency’s intentional or negligent failure to file any required document including those specified in section 521; or

(C) intentionally or negligently disregarded the material requirements of this title or the Federal Rules of Bankruptcy Procedure applicable to such agency.

(d) In addition to other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, reasonably believes that any person has violated or is violating this section, the—

(A) may bring an action to enjoin such violation; and

(B) may bring an action on behalf of its residents to recover the actual damages of assisted persons arising from such violation, in an amount not to exceed any liability under paragraph (2); and

(C) in the case of any successful action under subparagraph (A) or (B), shall be entitled to the costs of such action and reasonable attorney fees as determined by the court.

(4) The United States District Court for any judicial district in which such a suit is brought shall have concurrent jurisdiction of any action under subparagraph (A) or (B) of paragraph (3).
"(5) Notwithstanding any other provision of Federal law and in addition to any other remedy provided under Federal or State law, if the court, on its own motion or on motion of the United States trustee or the debtor, finds that a person intentionally violated this section, or engaged in a clear and consistent pattern or practice of violating this section and other sanction including, in some instances, disbarment in accordance with section 707(b)(2)), shall—

(A) enjoin the violation of such section; or

(B) impose an appropriate civil penalty against such person.

(d) No provision of this section, section 527, or section 528 shall—

(1) annul, alter, affect, or exempt any person from complying with any law of any State except to the extent that such law is inconsistent with those sections, and then only to the extent of the inconsistency; or

(2) be deemed to limit or curtail the authority or ability—

(A) of a State or subdivision or instrumentality thereof, to determine and enforce qualifications for the practice of law under the laws of that State; or

(B) of a Federal court to determine and enforce the qualifications for the practice of law before that court.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting before the item relating to section 527, the following:

``526. Debt relief enforcement.''

SEC. 228. DISCLOSURES.

(a) DISCLOSURES.—Subchapter II of chapter 5 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

``527. Disclosures.

(a) A debt relief agency providing bankruptcy assistance to an assisted person shall provide—

(1) the written notice required under section 322(b)(1) of this title; and

(2) to the extent not covered in the written notice described in paragraph (1), and not later than 3 business days after the first date on which a debt relief agency first offers to provide any bankruptcy assistance services to an assisted person, a clear and conspicuous written notice advising assisted persons that—

(A) all information that the assisted person is required to provide with a bankruptcy petition filed thereunder during a case under this title is required to be complete, accurate, and truthful;

(B) all assets and all liabilities are required to be completely and accurately disclosed in the documents filed to commence the case, and the replacement value of each asset as defined in section 506 of this title must be stated in those documents where requested after reasonable inquiry to establish such value;

(C) current monthly income, the amounts specified in section 707(b)(2), and, in a case under chapter 13, disposable income (determined in accordance with section 707(b)(2)), are required to be stated after reasonable inquiry; and

(D) information that an assisted person provides during their case may be audited pursuant to this title, and that failure to provide such information may result in dismissal of the proceeding under this title or other sanction including, in some instances, criminal contempt.

(b) A debt relief agency providing bankruptcy assistance to an assisted person shall provide each assisted person at the same time as required under subsection (a)(1) with the following statement, to the extent applicable, or one substantially similar. The statement shall be clear and conspicuous and shall be in a single document separate from other documents or notices provided to the assisted person:--

``YOUR DEBT RELIEF AGENCY MUST DISCLOSE THE FOLLOWING INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARE

A DEBT RELIEF AGENCY PROVIDING BANKRUPTCY ASSISTANCE SERVICES TO AN ASSISTED PERSON IS REQUIRED TO SPECIFY WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARE \n WILL DO FOR YOU AND HOW MUCH IT WILL COST. ASK TO SEE THE CONTRACT BEFORE YOU HIRE ANY ONE.

The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief made available by the Bankruptcy Code and the laws of the State in which you live. The Bankruptcy Code and the laws of that State will determine which form of bankruptcy will be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of creditors where you may be questioned by a court official called a ‘trustee’ and by creditors.

If you choose to file a chapter 13 case in which you repay your creditors what you can afford over 3 to 5 years, you may also want help with preparing your chapter 13 plan and the confirmation hearing on your plan which will be before a bankruptcy judge.

If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will need to do something other than what is required for a chapter 7 case.

Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.

(c) Except to the extent the debt relief agency provides the required information itself after the filing of the bankruptcy petition, the assisted person or others so as to allow the court to determine the rights of the assisted person or others. In such cases, suit shall be allowed by the court.

(d) Information that an assisted person provides during their case may be audited pursuant to this title, and that failure to provide such information may result in dismissal of the proceeding under this title or other sanction including, in some instances, criminal contempt.

(1) home value assets at replacement value, determine current monthly income, the amounts specified in section 707(b)(2) and, in a chapter 13 case, how to determine disposable income in accordance with section 707(b)(2) and related calculations;

(2) to complete the list of creditors, information and how to value at replacement value as defined in section 506 of this title.

(a) A debt relief agency shall maintain a copy of the notices required under subsection (a) of this section for 2 years after the date on which the notice is given the assisted person.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, as amended by this Act, is amended by inserting after the item relating to section 526 the following:

``527. Disclosures.''

SEC. 229. REQUIREMENTS FOR DEBT RELIEF AGENCIES.

(a) ENFORCEMENT.—Subchapter II of chapter 5 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

``528. Requirements for debt relief agencies.

(a) A debt relief agency shall—

(1) not later than 5 business days after the first date on which such agency provides bankruptcy assistance services to an assisted person, but prior to such assisted person’s petition under this title being filed, execute a contract with a written plan in a clear and conspicuous manner that explains clearly and conspicuously—

(A) the services such agency will provide to such assisted person; and

(B) the fees or charges for such services, and the terms of payment;

(2) provide the assisted person with a copy of the fully executed and completed contract;

(3) clearly and conspicuously disclose in any advertisement of bankruptcy assistance services or of the benefits of bankruptcy directed to the general public (whether in general media, seminars or specific mailings, telephonic or electronic messages, or otherwise) that the services or benefits are with respect to bankruptcy relief under this title; and

(4) clearly and conspicuously using the following statement: ‘We are a debt relief agency. We help people who cannot pay their debts by helping them form a plan that will enable them to pay all or a portion of their debts. If you choose to file a chapter 13 plan, creditors will receive only the amount you are able to pay.’

(b) BILLS OF SALE, INVOICE, OR OTHER SIMILAR STATEMENTS FOR CHAPTER 5 RELATIONSHIP SERVICES OR THE BENEFITS OF BANKRUPTCY RELIEF TO THE GENERAL PUBLIC INCLUDE—

(A) descriptions of bankruptcy assistance in connection with a chapter 13 plan whether or not chapter 13 is specifically mentioned in such advertisement; and

(B) statements such as ‘federally supervised repayment plan’ or ‘Federal debt restructuring help’ or other similar statements that could lead a reasonable consumer to believe the debt consolidation loan is being offered when in fact the services were directed to providing bankruptcy assistance with a chapter 13 plan or other form of bankruptcy relief under this title.

(2) An advertisement, directed to the general public, indicating that the debt relief services are offered with respect to credit defaults, mortgage foreclosures, eviction proceedings, excessive debt, debt collection pressure, or inability to pay any consumer debt is not permitted.

(3) A debt relief agency shall—

(A) disclose clearly and conspicuously in such advertisement that the service may involve bankruptcy relief under this title; and

(B) include the following statement: ‘We are a debt relief agency. We help people file
for bankruptcy relief under the Bankruptcy Code, or a substantially similar state law).

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, as amended by this Act, is amended by inserting after the item relating to sections 502, 503, and 504 the following:

"528. Debtor's bill of rights."

SEC. 230. GAO STUDY.

(a) STUDY.—Not later than 270 days after the date of enactment of this Act, the Comptroller General of the United States shall conduct a study of the feasibility, effectiveness, and cost of requiring trustees appointed by the courts, or the bankruptcy courts, to provide to the Office of Child Support Enforcement promptly after the commencement of cases by individual debtors, social security numbers of such debtors for the purposes of allowing such Office to determine whether such debtors have outstanding obligations for child support (as determined on the basis of information in the Federal Case Registry or other national database).

(b) REPORT.—Not later than 30 days after the date of enactment of this Act, the Comptroller General shall submit to the President a report based on the results of the study required by subsection (a).

TITLE III—DISCOURAGING BANKRUPTCY ABUSE

SEC. 301. REINFORCEMENT OF THE FRESH START.

Section 525(a)(7) of title 11, United States Code, is amended—

(1) by striking "by a court" and inserting "on a prisoner by any court";

(2) by striking paragraph (1) and inserting the following:

"(1) if a case is filed by or against an individual debtor under this title, and if 2 or more single or joint cases of the debtor were pending during the preceding 1-year period but were dismissed, other than a case referred under section 707(b), the stay under subsection (a) shall not expire;

(3) by striking paragraph (2) and inserting the following:

"(2) if a case is filed by or against an individual debtor under this title, and if 2 or more single or joint cases of the debtor were pending during the preceding 1-year period but were dismissed, other than a case referred under section 707(b), the stay under subsection (a) shall not expire;"

SEC. 302. DISCOURAGING BAD FAITH REPEAT FILINGS.

Section 302 of title 11, United States Code, is amended—

(1) in paragraph (1), by striking "and" at the end;

(2) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(3) if a single or joint case is filed by or against an individual debtor under title 11, 7, or 13, and if a single or joint case of the debtor was pending within the preceding 1-year period but was dismissed, other than a case referred under section 707(b) of title 11, after notice and a hearing, the court shall promptly enter an order confirming that no stay is in effect.

SEC. 303. CURBING ABUSIVE FILINGS.

(a) IN GENERAL.—Section 362(d) of title 11, United States Code, is amended—

(1) by striking "by a court" and inserting "on a prisoner by any court";

(2) by striking paragraph (3) and inserting the following:

"(3) if a single or joint case is filed by or against an individual debtor under this title, and if 2 or more single or joint cases of the debtor were pending during the preceding 1-year period but were dismissed, other than a case referred under section 707(b), the stay under subsection (a) shall not expire;"

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended by inserting after paragraph (19), as added by this Act, the following:

"(20) if a case is filed by or against an individual debtor under this title, and if 2 or more single or joint cases of the debtor were pending during the preceding 1-year period but were dismissed, other than a case referred under section 707(b), the stay under subsection (a) shall not expire;"

(c) IN GENERAL.—Section 362(d) of title 11, United States Code, as amended by section 362(d)(4)(A) of such title, is further amended by striking "by a court" and inserting "on a prisoner by any court".

SEC. 304. DEBTOR RETENTION OF PERSONAL PROPERTY SECURITY.

Title 11, United States Code, is amended—

(1) in section 521(a) (as so designated by this Act)—

"(A) if the debtor is ineligible under section 109(g) to be a debtor in a bankruptcy case; and

(2) if the bankruptcy case was filed by a debtor in a bankruptcy case;"

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended by inserting after paragraph (19), as added by this Act, the following:

"(20) if a case is filed by or against an individual debtor under this title, and if 2 or more single or joint cases of the debtor were pending during the preceding 1-year period but were dismissed, other than a case referred under section 707(b), the stay under subsection (a) shall not expire;"

(c) IN GENERAL.—Section 362(d) of title 11, United States Code, as amended by section 362(d)(4)(A) of such title, is further amended by striking "by a court" and inserting "on a prisoner by any court".
in whole or in part by an interest in that personal property unless, in the case of an individual debtor, the debtor, not later than 45 days after the first meeting of creditors under section 341(a), enters into an agreement with the creditor pursuant to section 524(c) of this title with respect to the claim secured by such property or

(B) redeems such property from the security interest pursuant to section 722 of this title.

If the debtor fails to so act within the 45-day period referred to in paragraph (6), the stay under section 362(a) of this title is terminated with respect to the personal property of the estate of or the debtor which is affected, such property shall no longer be property of the estate, and the creditor may take whatever action as to such property as is permitted by applicable nonbankruptcy law, unless the court determines on the motion of the trustee brought before the expiration of such 45-day period, and after notice and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor pursuant to section 363, and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor pursuant to section 363, and

(A) enters into an agreement with the creditor pursuant to section 524(c) of this title with respect to the claim secured by such property or

(B) redeems such property from the security interest pursuant to section 722 of this title.

If the debtor fails to so act within the 45-day period referred to in paragraph (6), the stay under section 362(a) of this title is terminated with respect to the personal property of the estate of or the debtor which is affected, such property shall no longer be property of the estate, and the creditor may take whatever action as to such property as is permitted by applicable nonbankruptcy law, unless the court determines on the motion of the trustee brought before the expiration of such 45-day period, and after notice and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor pursuant to section 363, and

(A) enters into an agreement with the creditor pursuant to section 524(c) of this title with respect to the claim secured by such property or

(B) redeems such property from the security interest pursuant to section 722 of this title.

If the court does not so determine, the stay provided by subsection (a) shall terminate upon the conclusion of the proceeding on the motion:"; and

(2) paragraph (2) is amended—

(A) in subsection (a)(2)(B), as so designated by this Act—

(i) by striking “forty-five days after the filing of a notice of intent under this section to redeem, unless the date specified in the notice of intent under section 541(a) of this title” and inserting “the first date set for the meeting of creditors under section 341(a) of this title”; and

(ii) by striking “forty-five day” and inserting “forty-five days”;

(B) in subsection (a)(2)(C), as so designated by this Act, by inserting “, except as provided in section 362(h) of this title” before the semicolon;

(C) by adding at the end the following:

“(D) If the debtor fails timely to take the action specified in paragraph (1) of this section, or in paragraphs (1) and (2) of section 362(h) of this title, with respect to property which a lessor or bailor owns and has leased to the debtor or which the creditor is required to which a creditor holds a security interest not otherwise voidable under section 522(f), 541, 545, 547, 548, or 549 of this title, nothing in this title shall prevent or limit the operation of a provision in the underlying lease or agreement which has the effect of placing the debtor in default under such lease or agreement by reason of the occurrence, pendence, or existence of a proceeding under this title or the insolvency of the debtor. Nothing in this subsection shall be deemed to justify limiting such a provision in any other circumstance.”;

SEC. 306. GIVING SECURED CREDITORS FAIR TREATMENT IN CHAPTER 13.

(A) IN GENERAL.—Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:

“(i) the plan provides that—

“(1) the holder of such claim retain the lien securing such claim until the earlier of—

“(aa) the payment of the underlying debt determined under bankruptcy law; or

“(bb) discharge under section 1328; and

“(2) if the case under this chapter is dismissed or converted without completion of the plan, such lien shall also be retained by such holder to the extent recognized by applicable nonbankruptcy law; and

(b) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 1325(a) of title 11, United States Code, is amended by adding at the end the following flush sentence:

“For purposes of paragraph (5), section 506 shall be reduced to the extent that such value is attributable to any portion of any property that the debtor disposed of in the 7-year period ending on the date of the filing of the petition with the intent to hinder, delay, or defraud a creditor and that the debtor could not exempt, or that portion that the debtor could not exempt, under subsection (b), if on such date the debtor had held the property so disposed of.”;

SEC. 309. PROTECTING SECURED CREDITORS IN CHAPTER 13 CASES.

(A) STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.—Section 348(c)(1) of title 11, United States Code, is amended—

(1) by striking “and” at the end;

(2) by adding at the end the following:

“(A) by striking ‘in the converted case, with allowed secured claims only in a case converted to a case under chapter 11 or 12, but not in a case converted to a case under chapter 7, with allowed secured claims in cases under chapters 11 and 12’; and

(B) by striking the period and inserting ‘and’;

and

(3) by adding at the end following:

“(C) with respect to cases converted from chapter 13—

(i) the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of such claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding; and

(ii) unless a prebankruptcy default has been fully cured under the plan at the time of conversion, in any proceeding under this title or otherwise, the default shall have the effect given under applicable nonbankruptcy law.”;

(B) GIVING DEBTORS THE ABILITY TO KEEP LEASED PERSONAL PROPERTY BY ASSUMPTION.—Section 365 of title 11, United States Code, is amended—

(1) in subsection (b)(3)(A), as so designated by this Act, by inserting “subject to subsections (o) and (p),” before “any property”;

(2) by inserting at the end the following:

“(o) For purposes of subsection (b)(3)(A), and notwithstanding subsection (a), the value of an interest in leasehold personal property that the debtor or a dependent of the debtor uses as a residence;

(C) requiring a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

“(3) a burial plot for the debtor or a dependent of the debtor uses as a residence; or

(2) the debtor is in possession of the property for which there are secured claims that are not allowed as of the date of the petition, and the debtor does not have adequate means of income to pay the creditors to which the claims are secured; and

(3) the debtor is in possession of the property for which there are secured claims that are not allowed as of the date of the petition, and the debtor does not have adequate means of income to pay the creditors to which the claims are secured; and

(h) in an individual case under chapter 7, 11, or 13, the stay provided by subsection (a) is terminated with respect to personal property of the estate of or the debtor secur

(A) by filing a timely claim of intention under section 522(a)(2) of this title with respect to that property or to indicate in that statement that the debtor will either surrender the property or retain it and, if retaining it, file a reaffirmation agreement under section 1328 that affirms possession of the property; and

(B) by taking timely the action specified in that statement of intention specified reaffirmation and the creditor refuses to reaffirm on the original contract terms;

and

(2) Paragraph (1) does not apply if the court determines, on the motion of the trustee filed before the expiration of the applicable time set by section 522(a)(2), after notice and a hearing, that such property is of consequential value or benefit to the estate, and orders the debtor to deliver any collateral in the debtor’s possession, or to sell any such property, or to file any such form of reaffirmation, or to execute and file any such reaffirmation agreement, as the court determines necessary, and the court finds, upon the motion of the trustee filed before the expiration of the applicable time set by section 522(a)(2), after notice and a hearing, that such property is of consequential value or benefit to the estate, orders the debtor to deliver any collateral in the debtor’s possession, or to sell any such property, or to file any such form of reaffirmation, or to execute and file any such reaffirmation agreement, as the court determines necessary, and

(A) in subsection (a)(2), as so designated by this Act, by striking “consumer”: "
SEC. 310. LIMITATION ON LUXURY GOODS.

Section 523(a)(2)(C) of title 11, United States Code, is amended to read as follows:

"(2)(C) The term ‘luxury goods’ means any of the following:

(i) jewelry (except wedding rings); and

(ii) electronic entertainment equipment (except television, radio, and VCR).

SEC. 311. AUTOMATIC STAY.

Section 362 of title 11, United States Code, is amended by inserting after paragraph (21), as added by this Act, the following:

"(22) under subsection (a)(3), of the continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement;

"(23) under subsection (a)(3), of the commencement of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement that has terminated; or

"(24) under subsection (a)(3), of evictions actions based on endangerment to property or person or use or illegal drugs.

SEC. 312. LIMITATION OF PERIOD BETWEEN BANKRUPTCY DISCHARGES.

Title 11, United States Code, is amended—

(1) in section 727(a)(8), by striking ‘six’ and inserting ‘three’;

(2) in section 1328(b), by inserting after subsection (e) the following:

"(f) Notwithstanding subsections (a) and (b), the court shall not grant a discharge of all debts provided for by the plan or discharged under section 507(b) if the debtor has received a discharge in any case filed under this title within 5 years before the order for relief under this chapter."

SEC. 313. DEFINTION OF HOUSEHOLD GOODS AND ANTIQUES.

(a) DEFINITION.—Section 522(f) of title 11, United States Code, is amended at the end of the section by adding the following paragraph:

"(A) Subject to subparagraph (B), for purposes of paragraph (1)(B), the term ‘household goods’ means—

(i) clothing;

(ii) furniture;

(iii) appliances;

(iv) 1 radio;

(v) television;

(vi) VCR;

(vii) linens;

(viii) china;

(ix) crockery;

(x) kitchenware;

(xi) educational materials and educational equipment primarily for the use of minor dependent children of the debtor; and

(xii) personal effects (including the use of minor children, or elderly or disabled dependents of the debtor; and

(xiv) personal effects (including the use of minor children, or elderly or disabled dependents of the debtor; and

(xv) works of art (unless by or of the debtor or the dependents of the debtor); and

(xvi) laundry equipment (including the use of minor children, or elderly or disabled dependents of the debtor); and

(xvii) electronic entertainment equipment (except television, radio, and VCR).

SEC. 314. DEBT INCURRED TO PAY NONDISCHARGEABLE DEBTS.

(a) IN GENERAL.—Section 522(f)(5)(B) of title 11, United States Code, is amended by inserting paragraphs (1) through (3) and inserting the following:

"(iv) for purposes of this subparagraph—

(1) provided for under section 1322(b)(5); and

(2) in clause (i), by striking ‘six’ and inserting ‘three’; and

(3) by adding at the end the following:

\[\text{[\text{312. LIMITATION OF PERIOD BETWEEN BANKRUPTCY DISCHARGES.}]}\]
“(2) of the kind specified in paragraph (2), (3), (4), (5), (6), or (8) of section 522(a); (3) for restitution, or a criminal fine, included in a sentence on the debtor’s conviction that was imposed before the commencement of the case effective under chapter 13 fails to file all of the information required under subsection (a)(1) within 45 days after the filing of the petition commencing the case, the case shall be dismissed effective on the 46th day after the filing of the petition.

SEC. 316. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.

Section 521 of title 11, United States Code, as amended by this Act, is amended—

(1) by striking subsection (a), as so designated by this Act, by striking paragraph (1) and inserting the following:

“(1) file—

(A) a list of creditors; and

(B) unless the court orders otherwise—

(i) a schedule of assets and liabilities;

(ii) a schedule of current income and current expenditures;

(iii) a statement of the debtor’s financial affairs and, if applicable, a certificate—

(I) of an attorney whose name is on the petition as the attorney for the debtor or any bankruptcy petition preparer signing the petition under section 116(b)(1) indicating the attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 328(b); or

(ii) if no attorney for the debtor is indicated and any bankruptcy petition preparer signed the petition, of the creditor that such notice was obtained and read by the debtor;

(iv) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days before the filing of the petition;

(v) a statement of the amount of monthly net income, itemized to show how the amount is calculated; and

(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;”;

(2) by adding at the end the following:

“(e) At any time, a creditor, in a case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case, and the court shall make those documents available to the creditor who requests those documents.

“(2)(A) The debtor shall provide either a tax return or transcript at the election of the debtor, for the latest taxable period prior to filing for which a tax return has been or should have been filed, to the trustee, not later than 7 days before the date first set for the first meeting of creditors, or the case shall be dismissed, unless the debtor demonstrates that the failure to file a return as required is due to circumstances beyond the control of the debtor.

“(B) If a creditor has requested a tax return or transcript at the election of the debtor, the debtor shall file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case, and the court shall make those documents available to the creditor who requests those documents.

“(C) the identity of any person who contains information due to circumstances beyond the control of the debtor.

“(D) The court shall make such plan available to the creditor who requests such plan—

(i) at a reasonable cost; and

(ii) not later than 5 days after such request.

“(f) An individual debtor in a case under chapter 7, 11, or 13 shall file with the court at the request of any party in interest—

(1) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed.

(2) at the time filed with the taxing authority, all tax returns required under applicable law, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a) are delivered to the trustee or a trustee serving in the case, the case shall be dismissed effective on the 3 years before the order of relief;
“(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. If requested, the court shall enter an order dismissing the case at or before the conclusion of such period, but the court may not approve a period that is longer than 5 years.

“(3) Upon request of the debtor made within 45 days after the filing of the petition commencing the case, and if the court finds justification for extending the period for the filing.

SEC. 317. ADEQUATE TIME TO PREPARE FOR HEARING ON CONFIRMATION OF PLAN

Section 1324 of title 11, United States Code, is amended—

(1) by striking “After” and inserting the following:

“(a) Except as provided in subsection (b) and after; and

(2) by adding at the end the following:

“(b) The hearing on confirmation of the plan may be held not earlier than 20 days and not later than 45 days after the date of the meeting of creditors under section 341(a).”;

SEC. 318. CHAPTER 13 PLANS TO HAVE A 5-YEAR DURATION IN CERTAIN CASES.

Title 11, United States Code, is amended—

(1) by amending section 122(d) to read as follows:

“(d)(1) If the current monthly income of the debtor or the debtor’s spouse combined, when multiplied by 12, is not less than—

“(A) in the case of a debtor in a household of 1 person, the median family income of the applicable State for 1 earner last reported by the Bureau of the Census;

“(B) in the case of a debtor in a household of 2, 3, or 4 individuals, the highest median family income of the applicable State for a family of the same number or fewer individuals last reported by the Bureau of the Census; or

“(C) in the case of a debtor in a household exceeding 4 individuals, the highest median family income of the applicable State for a family of 4 or fewer individuals last reported by the Bureau of the Census;

“(2) in section 1324(a), by adding at the end the following:

“(A) a final decision is rendered by the court during the 60-day period beginning on the date that the first payment is due under the plan; or

“(B) that 60-day period is extended—

“(i) by agreement of all parties in interest; or

“(ii) by the court for such specific period of time as the court finds is required for good cause, as described in findings made by the court.

SEC. 320. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting “(1)” after “(e)”; and

(2) by adding at the end the following:

“(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, 12, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

“(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

“(B) that 60-day period is extended—

“(i) by agreement of all parties in interest; or

“(ii) by the court for such specific period of time as the court finds is required for good cause, as described in findings made by the court.

SEC. 321. CHAPTER 11 CASES FILED BY INDIVIDUALS.

(a) PROPERTY OF THE ESTATE.

(1) IN GENERAL.—Subchapter I of chapter 11, United States Code, is amended by adding at the end the following:

“§1115. Property of the estate

“(a) In a case concerning an individual debtor, property of the estate includes, in addition to the property specified in section 541—

“(1) all property of the kind specified in section 541 that the debtor acquires after the commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13.

“(b) Except as provided in section 1004 or a confirmed plan or order confirming a plan, the debtor shall remain in possession of all property of the estate.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 11 of title 11, United States Code, is amended by adding at the end of the matter relating to subchapter I the following:

“1115. Property of the estate.”;

(b) CONTENTS OF PLAN.—Section 1325(a)(11) of title 11, United States Code, is amended—

(1) in paragraph (6), by striking “and” at the end;

(2) in paragraph (7), by striking the period and inserting “; and”;

(3) by adding at the end the following:

“(8) in a case concerning an individual, provide for the payment to creditors through the plan of all or such portion of earnings from personal services performed by the debtor after the commencement of the case or other future income of the debtor as is necessary for the execution of the plan.”;

(c) CONFIRMATION OF PLAN.—

(1) REQUIREMENTS RELATING TO VALUE OF PROPERTY.—Section 1129(a)(1) of title 11, United States Code, is amended by adding at the end the following:

“(A) the value of the property to be distributed under the plan on account of such claim is, as of the effective date of the plan, not less than the amount of such claim; or

“(B) the value of the property to be distributed under the plan is not less than the debtor’s projected disposable income (as that term is defined in section 1325(b)(2)) to be received during the 5-year period beginning on the date that the first payment is due under the plan, or during the term of the plan, whichever is longer.”;

(2) REQUIREMENT RELATING TO INTERESTS IN PROPERTY.—Section 1129(b)(2)(B) of title 11, United States Code, is amended by inserting before the period at the end the following:

“except that concerning an individual, the debtor may retain property included in the estate under section 1115, subject to the requirements of subsection (a)(14);”;

(d) EFFECT OF CONFIRMATION.—Section 1141(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking “The confirmation of a plan does not discharge an individual debtor” and inserting “A discharge under this chapter does not discharge a debtor;”;

(2) by adding at the end the following:

“(c) In a case concerning an individual—

“(A) except as otherwise shown, the discharge is not effective until completion of all payments under the plan; and

“(B) at any time after the confirmation of the plan and after notice and a hearing, the court may grant a discharge to a debtor that has not completed payments under the plan on account of that claim is not less than the amount that would have been paid on such claim if the estate of the debtor had been liquidated under chapter 7 of this title on such date; and

“(ii) modification of the plan under 1127 of this title is not practicable.”;
(e) MODIFICATION OF PLAN.—Section 327 of title 11, United States Code, is amended by adding at the end the following:

'(e) In a case concerning an individual, the plan may be modified at any time after confirmation of the plan but before the completion of payments under the plan, whether or not the plan has been substantially confirmed, upon request of the debtor, the United States trustee, or the holder of an allowed unsecured claim, to—

'(1) increase or reduce the amount of payments from claim classes as a particular class provided for by the plan; or

'(2) extend or reduce the time period for such payments; or

'(3) alter the amount of the distribution to a creditor whose claim is provided for by the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

'“(f)(1) Sections 1121 through 1128 of this title and the requirements of section 1129 of this title apply to any modification under subsection (a).

'“(2) The plan, as modified, shall become the plan only after there has been disclosure under section 307 of this title; a hearing, and notice and a hearing, and such modification is approved.’.

SEC. 322. LIMITATION.

(a) EXEMPTIONS.—Section 522 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

'(a) As provided in subsection (2) of this subsection and sections 544 and 548 of this title, as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that was acquired by the debtor during the 2-year period preceding the filing of the petition which exceeds in the aggregate the amount in—

'(1) real or personal property that the debtor or a dependent of the debtor uses as a residence; or

'(2) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

'(3) a burial plot for the debtor or a dependent of the debtor.

'“(b) APPLICABILITY OF AMENDMENT.—The amendments made by this section shall not apply to cases commenced under title 11, United States Code, before the expiration of the 180-day period beginning on the date of enactment of this Act.

SEC. 324. EXCLUSIVE JURISDICTION IN MATTERS INVOLVING BANKRUPTCY PROFESSIONALS.

(a) IN GENERAL.—Section 1334 of title 28, United States Code, is amended—

'(1) in subsection (b), by striking ‘‘Notwithstanding anything to the contrary contained in section 522(d) and 525(a)(1),’’ and inserting ‘‘Except as provided in subsection (e)(2), and notwithstanding;’’; and

'(2) by striking subsection (e) and inserting the following:

'(e) The district court in which a case under title 11 is commenced or is pending shall have exclusive jurisdiction—

'(1) of all the property, wherever located, of the debtor as of the date of commencement of such case, and of property of the estate; and

'(2) over all claims or causes of action that involve construction of section 327 of title 11, United States Code, or rules relating to disclosure and approval of compensation under such section.

(b) APPLICABILITY.—This section shall only apply to cases filed after the date of enactment of this Act.

SEC. 325. UNITED STATES TRUSTEE PROGRAM FILING FEE INCREASE.

(a) ACTIONS UNDER CHAPTER 7 OR 13 OF TITLE 11, UNITED STATES CODE.—Section 1930(a) of title 28, United States Code, is amended—

'(1) by striking paragraph (1) and inserting the following:

'(1) of all the property, wherever located, of the debtor as of the date of commencement of such case, and of property of the estate; and

'(2) over all claims or causes of action that involve construction of section 327 of title 11, United States Code, or rules relating to disclosure and approval of compensation under such section.

(b) APPLICABILITY.—This section shall only apply to cases filed after the date of enactment of this Act.

SEC. 326. LIMITATION.

(a) EXEMPTED FROM PROVISION OF SECTION 522.—(1) Sections 522 of title 11, United States Code, is amended—

'(1) in subsection (2)(A), by striking ‘‘(1)’’ after ‘‘(a)’’; and

'(2) in subsection (2)(B), by striking ‘‘(2)’’ and inserting ‘‘(2)’’.

(b) APPLICABILITY.—The amendments made by this section shall not apply to cases commenced under title 11, United States Code, before the expiration of the 180-day period beginning on the date of enactment of this Act.

SEC. 327. FAIR VALUATION OF COLLATERAL.

(a) ACTIONS UNDER CHAPTER 7 OR 13 OF TITLE 11, UNITED STATES CODE.—Section 362 of title 11, United States Code, is amended—

'(1) in subsection (b)(1), by striking ‘‘the end’’ and inserting ‘‘the end and the time of assumption, except that if such default arises from a failure to operate in accordance with a nonresidential real property lease, then such default shall be cured by performance at and after the time of assumption and with rules of professional responsibility applicable to attorney referral services and with rules of professional responsibility applicable to attorney referral services and with rules of professional responsibility applicable to attorney acceptance of referrals.’’;

'(2) by adding at the end the following:

'(2) by adding at the end the following:

'(A) in paragraph (1)(A), by striking the semicolon at the end and inserting the following:

‘‘(i) an employee benefit plan subject to section 302 of title 29, United States Code, or a governmental plan under section 414(d) of the Internal Revenue Code of 1986, a deferred compensation plan subject to section 404 of the Internal Revenue Code of 1986, or a tax-deferred annuity under section 403(b) of the Internal Revenue Code of 1986, an employer contribution to an individual retirement plan under section 401(a)(17) of the Internal Revenue Code of 1986, an employer contribution to a section 501(c)(9) employee stock plan under section 401(a)(17) of the Internal Revenue Code of 1986, or a tax-deferred annuity under section 403(b) of the Internal Revenue Code of 1986, except that amount shall not constitute disposable income, as defined in section 325(b)(2)(b) of this title; or

(ii) a health insurance plan regulated by State law whether or not subject to such title; or

(iii) the plan to the extent necessary to take account of any payment of such claim made other than under the plan.

(b) APPLICABILITY.—This section shall only apply with respect to sharing among agreeing to share, compensation with a bona fide public service attorney referral program that operates in accordance with non-Federal law regulating attorney referral services and with rules of professional responsibility applicable to attorney referral services.

SEC. 328. FAIR VALUATION OF COLLATERAL.

(b) APPLICABILITY.—This section shall only apply with respect to sharing among agreeing to share, compensation with a bona fide public service attorney referral program that operates in accordance with non-Federal law regulating attorney referral services and with rules of professional responsibility applicable to attorney referral services.
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(4) in subsection (f)(1) by striking ‘‘except that’’ and all that follows through the end of the paragraph and inserting a period.

(b) IMPAIRMENT OF CLAIMS OR INTERESTS.—Section 365(b) of title 11, United States Code, is amended—

(1) in subparagraph (A), by inserting ‘‘or of a kind that section 365(b)(2) of this title expressly does not require to be cured’’ before the semicolon at the end;

(2) in subparagraph (C), by striking ‘‘and’’ at the end;

(3) by redesignating subparagraph (D) as subparagraph (E); and

(4) by inserting after subparagraph (C) the following:

‘‘(D) If such claim or such interest arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A), compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and.’’.

TITLE IV—GENERAL AND SMALL BUSINESS BANKRUPTCY PROVISIONS


SEC. 401. ADEQUATE PROTECTION FOR INVESTORS.

(a) DEFINITION.—Section 101 of title 11, United States Code, as amended by this Act, is amended by inserting after paragraph (48) the following:


(b) SEC. 362(b) of title 11, United States Code, is amended by inserting after paragraph (25), as added by this Act, the following:

‘‘(26) under subsection (a),—

‘‘(A) the commencement or continuation of an investigation or action by a securities self regulatory organization to enforce such organization’s regulatory power;

‘‘(B) the enforcement of an order or decision, other than for monetary sanctions, obtained in an action by the securities self regulatory organization to enforce such organization’s regulatory power; or

‘‘(C) any act taken by the securities self regulatory organization to delist, delete, or refuse to permit quotation of any stock that does not meet applicable regulatory requirements;’’.

SEC. 402. MEETINGS OF CREDITORS AND EQUITY SECURITY HOLDERS.

Section 341 of title 11, United States Code, is amended by adding at the end the following:

‘‘(e) Notwithstanding subsections (a) and (b), the court, on the request of a party in interest, and after notice and a hearing, the court may order the United States trustee to change the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders. The court may order the United States trustee to increase the number of members of a committee to include a creditor that is a small business concern (as described in section (a)(1) of the Small Business Act (15 U.S.C. 632(a)(1))), if the court finds that the committee does not include a creditor that is a small business concern, and that the aggregate amount of which, in comparison to the annual gross revenue of such creditor, is disproportionately large.’’;

(b) INFORMATION.—Section 1102(b) of title 11, United States Code, is amended by adding at the end the following:

‘‘(3) A committee appointed under subsection (a) shall—

‘‘(A) provide access to information for creditors who—

‘‘(i) hold claims of the kind represented by that committee; and

‘‘(ii) are not appointed to the committee;

‘‘(B) solicit and receive comments from the creditors described in paragraph (A); and

‘‘(C) be subject to a court order that compels any additional report or disclosure to be made to the creditors described in subparagraph (A).’’;

SEC. 406. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.

Section 546 of title 11, United States Code, as amended, is amended—

(1) by redesigning the second subsection designated as subsection (g) as subsection (22a) of Public Law 103-394 as subsection (i); and

(2) by adding at the end the following:

‘‘(j)(1) Notwithstanding paragraphs (2) and (3) of section 546, the trustee may not avoid a transfer if the trustee has not been in the ordinary course of business or financial affairs of the debtor and if the transfer was—

‘‘(A) in the ordinary course of business or financial affairs of the debtor and the transferee; or

‘‘(B) made according to ordinary business terms;’’.

(b) SEC. 1102(b) of title 11, United States Code, as amended by this Act, is amended—

(1) by striking paragraph (2) and inserting the following:

‘‘(2) to the extent that such transfer was in payment of a debt incurred by the debtor in the ordinary course of business or financial affairs of the debtor and the transferee, and such transfer was—

‘‘(A) in the ordinary course of business or financial affairs of the debtor and the transferee; or

‘‘(B) made according to ordinary business terms.’’;

(2) in paragraph (8), by striking the period at the end and inserting ‘‘;’’;

(3) by adding at the end the following:

‘‘(9) if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of all property that constitutes or is affected by such transfer is less than $5,000.’’;

SEC. 410. VENUE OF CERTAIN PROCEEDINGS.

Section 1409(b) of title 28, United States Code, is amended by striking ‘‘, and a nonconsumer debt against a nonsigner of less than $10,000,’’ after ‘‘$5,000’’.

SEC. 411. PERIOD FOR FILING PLAN UNDER CHAPTER 11.

Section 1121(d) of title 11, United States Code, is amended—

(1) by striking ‘‘On’’ and inserting ‘‘Subject to paragraph (2)’’;

(2) by adding at the end the following:

‘‘(2)(A) The 120-day period specified in paragraph (1) may not be extended beyond a date that is 20 months after the date of the order for relief under this chapter.

‘‘(B) The 180-day period specified in paragraph (1) may not be extended beyond a date that is 18 months after the date of the order for relief under this chapter.’’;

SEC. 412. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.

Section 523(a)(16) of title 11, United States Code, is amended—

(1) by striking ‘‘dwelling’’ the first place it appears;

(2) by striking ‘‘ownership or’’ and inserting ‘‘ownership’’;

(3) by striking ‘‘housing’’ the first place it appears;

(4) by striking ‘‘but only’’ and all that follows through ‘‘period’’ and inserting ‘‘or a lot in a homeowners association, for as long as the debtor or the tenant has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot.’’.
SEC. 413. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.

Section 341(c) of title 11, United States Code, is amended by inserting at the end the following:

"(vi) another form of security that is mutually agreed on between the utility and the debtor or the trustee.

(b) For purposes of this subsection an administrative expense that shall not constitute an assurance of payment.

(2) Subject to paragraphs (3) through (5), with respect to a case filed under chapter 11 of this title, the court may modify the terms of a utility's contract to alter, refuse, or discontinue utility service, if during the 30-day period beginning on the date of filing and the utility does not receive from the debtor or the trustee adequate assurance of payment for utility service that is satisfactory to the utility.

(3) A person in interest may request a modification of a utility's contract with respect to an amendment to a contract that is the subject of a case under chapter 11. Any such request shall be made to the utility and not to the court.

(4) The court may modify the terms of a utility's contract with respect to a case under chapter 11 to assure the continued provision of utility service to the utility.

(5) A person in interest may request a modification of a utility's contract with respect to a case under chapter 11. Any such request shall be made to the utility and not to the court.

SEC. 414. DEFINITION OF DISINTERESTED PERSON.

Section 101(14) of title 11, United States Code, is amended to read as follows:

"(14) 'disinterested person' means a person that—

(A) is not a creditor, an equity security holder, or an insider;

(B) is not an attendant of the debtor within 2 years before the date of filing the petition, a director, officer, or employee of the debtor; or

(C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason;—

SEC. 415. FACTORS FOR COMPENSATION OF PROFESSIONAL PERSONS.

Section 332(a)(3) of title 11, United States Code, as amended by this Act, is amended—

(1) by inserting "(a)" after "(b)"; and

(2) by redesignating subparagraph (B) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following:

"(E) whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and"

SEC. 416. ELECTION OF DISINTERESTED TRUSTEE.

Section 1104(b) of title 11, United States Code, as amended by this Act, is amended—

(1) by inserting "(1)" after "(b)"; and

(2) by redesigning subparagraph (B) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following:

"(E) whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and"

SEC. 417. UTILITY SERVICE.

Section 366 of title 11, United States Code, as amended—

(1) by inserting "(a)" after "(b)"; and

(2) by redesigning subparagraph (A) as subparagraph (C); and

(3) in the case of any dispute arising out of an election described in subparagraph (A), the court shall resolve the dispute.

SEC. 418. BANKRUPTCY FEES.

Section 1930 of title 28, United States Code, as amended—

(1) by inserting "(a)" after "(b)"; and

(2) by redesigning subparagraph (B) as subparagraph (F); and

(3) by inserting after subparagraph (D) the following:

"(E) whether the person is board certified or otherwise has demonstrated skill and experience in the bankruptcy field; and"

SEC. 419. MORE COMPLETE INFORMATION REGARDING ASSETS OF THE ESTATE.

(a) IN GENERAL.—

"(1) DISCLOSURE.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States, after considering the views of the Director of the Executive Office for United States Trustees, shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms directing debtors under chapter 11 of title 11, United States Code, to disclose the information described in paragraph (2) without charge in a manner that is easily accessible to the public, including information as to—

"(i) a cash deposit;

"(ii) a letter of credit;

"(iii) a certificate of deposit;

"(iv) a payment of utility consumption; or"

"(2) INFORMATION.—The information referred to in paragraph (1) is the value, operations, and profitability of any closely held corporation, partnership, or any other entity in which the debtor holds a substantial or controlling interest.

(b) PURPOSE.—The purposes of the rules and reports under subsection (a) shall be to assist parties in interest to ascertain whether the debtor's interest in any entity referred to in subsection (a)(2) is used for the payment of allowed claims against debtor.


SEC. 431. FLEXIBLE RULES FOR DISCLOSURE STATEMENT AND PLAN.

Section 1125 of title 11, United States Code, is amended—

(1) in subsection (a)(1), by inserting before the semicolon "and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information;";

(2) by striking subsection (f), and inserting the following:

"(f) Notwithstanding subsection (b), in a small business case—

"(1) the court may determine that the plan itself provides adequate information and that a separate disclosure statement is not necessary;

"(2) the court may approve a disclosure statement submitted on standard forms approved by the court or adopted under section 2075 of title 28; and

"(3) the court may conditionally approve a disclosure statement subject to final approval after notice and hearing to ensure that the debtor's interest in any entity referred to in subsection (a)(2) is used for the payment of allowed claims against debtor.

The Advisory Committee on Bankruptcy Rules shall provide such forms and instructions for use by the courts.

SEC. 432. DEFINITIONS.

(a) DEFINITIONS.—Section 101 of title 11, United States Code, as amended by this Act, is amended—

(1) by striking paragraph (5), and inserting the following:

"(5) 'small business case' means a case filed under chapter 11 of this title in which the debtor is a small business debtor;"

(2) by striking paragraph (4), and inserting the following:

"(4) 'small business debtor'—

"(A) subject to subparagraph (B), means a person engaged in commercial or business activities (including any affiliate of such person that is also a debtor under this title) and excluding any person whose primary activity is the business of owning or operating a farm (as defined in paragraph (10));"

"(B) does not include any member of a group of affiliated debtors that has aggregated noncontingent, liquidated secured and unsecured debts as of the date of the petition or the order for relief in an amount not more than $3,000,000 (excluding debts owed to 1 or more affiliates or insiders) for a case in which the United States trustee has not appointed under section 1102(a)(1) a committee of unsecured creditors or where the court has determined that the committee of unsecured creditors is not sufficiently active and representative to provide an effective overview of the debtor; and

"(C) does not include any member of a group of affiliated debtors that has aggregated noncontingent, liquidated secured and unsecured debts as of the date of the petition or the order for relief in an amount not more than $3,000,000 (excluding debts owed to 1 or more affiliates or insiders)."
SEC. 433. STANDARD FORM DISCLOSURE STATEMENT AND PLAN.

Within a reasonable period of time after the filing of this Act, the Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for adoption standard form disclosure statements (as defined in section 101 of title 11, United States Code, as amended by this Act), designed to achieve a practical balance between:

(1) the reasonable needs of the courts, the United States trustee, creditors, and other parties in interest for reasonably complete information; and

(2) economy and simplicity for debtors.

SEC. 434. UNIFORM NATIONAL REPORTING REQUIREMENTS.

(a) Reporting Required.—

(1) In General.—Chapter 3 of title 11, United States Code, is amended by inserting after section 307 the following:

"§ 308. Debtor reporting requirements

"(a) For purposes of this section, the term ‘profitability’ means, with respect to a debtor, the amount of money that the debtor has earned or lost during current and recent fiscal periods.

"(b) A small business debtor shall file periodic financial and other reports containing information in their reasonable possession that is complete and reasonably accurate. Those reports shall:

"(1) be timely filed;

"(2) include reasonable approximations of the debtor’s profitability; and

"(3) be compared to projections of future financial performance.

"(c) A small business debtor shall file periodic reports containing information in their reasonable possession that is complete and reasonably accurate. Those reports shall:

"(1) be timely filed;

"(2) include reasonable approximations of the debtor’s profitability; and

"(3) be compared to projections of future financial performance.

"(d) The reports required by paragraphs (a) and (b) shall be timely filed.

"(e) "1116. Duties of trustee or debtor in possession in small business cases

In a small business case, the trustee or the debtor in possession, in addition to the duties provided in this title and as otherwise required by law, shall:

"(1) attend and record an inventory of assets and liabilities of the debtor and ascertain the debtor's profitability;

"(2) raise the plan, and any necessary disclosure statement, shall be filed not later than 300 days after the date of the order for relief; and

"(3) the time periods specified in paragraphs (1) and (2), and the time fixed in section 1129(e), within which the plan shall be confirmed, may be extended only if

"(A) the plan provides for payment in the form of periodic reports containing information relating to the debtor’s profitability;

"(B) the debtor’s cash receipts and disbursements; and

"(C) that required reports be easy and inexpensive to complete; and

"(d) the interest of all parties that the required reports help the small business debtor to understand the small business debtor’s financial condition and plan the small business debtor’s future.

SEC. 436. DUTIES IN SMALL BUSINESS CASES.

(a) Duties in Chapter 11 Cases.—Subchapter I of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

"§ 1116. Duties of trustee or debtor in possession in small business cases

In a small business case, the trustee or the debtor in possession, in addition to the duties provided in this title and as otherwise required by law, shall:

"(1) attend and record an inventory of assets and liabilities of the debtor and ascertain the debtor’s profitability;

"(2) raise the plan, and any necessary disclosure statement, shall be filed not later than 300 days after the date of the order for relief; and

"(3) the time periods specified in paragraphs (1) and (2), and the time fixed in section 1129(e), within which the plan shall be confirmed, may be extended only if

"(A) the plan provides for payment in the form of periodic reports containing information relating to the debtor’s profitability;

"(B) the debtor’s cash receipts and disbursements; and

"(C) that required reports be easy and inexpensive to complete; and

"(d) the interest of all parties that the required reports help the small business debtor to understand the small business debtor’s financial condition and plan the small business debtor’s future.

SEC. 437. PLAN FILING AND CONFIRMATION DEADLINES.

Section 1121 of title 11, United States Code, is amended by striking subsection (e) and inserting in its place the following:

"(e) In a small business case—

"(1) only the debtor may file a plan until after 180 days after the date of the order for relief unless that period is extended as provided in subsection (c);

"(A) the plan, and any necessary disclosure statement, shall be filed not later than 300 days after the date of the order for relief; and

"(B) the court, for cause, orders otherwise;

"(2) after 180 days after the date of the order for relief, unless such 175-day period is extended as provided in section 1121(e)(3).

SEC. 438. PLAN CONFIRMATION DEADLINE.

Section 1129 of title 11, United States Code, is amended by adding at the end the following:

"(e) In a small business case, the plan shall be confirmed not later than 175 days after the date of the order for relief, unless such 175-day period is extended as provided in section 1121(e)(3).

SEC. 439. DUTIES OF THE UNITED STATES TRUSTEE.

Section 586(a) of title 28, United States Code, is amended—

(1) in paragraph (3) —

(A) in subparagraph (G), by striking “and” at the end;

(B) by redesignating subparagraph (H) as subparagraph (J); and

(C) by inserting after subparagraph (G) the following:

"(H) in small business cases (as defined in section 101 of title 11), performing the additional duties specified in title 11 pertaining to such cases; and"

(2) in paragraph (5), by striking “and” at the end;

(3) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

"(f) in each of such small business cases—

(A) conduct an initial debtor interview, and as soon as practicable after the entry of order for relief but before the first meeting scheduled under section 341(a) of title 11, at which the United States trustee shall—

"(i) begin to investigate the debtor’s viability;

"(ii) inquire about the debtor’s business plan;

"(iii) explain the debtor’s obligations to file monthly operating reports and other required reports; and

"(iv) inform the debtor of other obligations;

(B) if determined to be appropriate and advisable, visit the appropriate business premises of the debtor and ascertain the state of the debtor’s books and records and verify that the debtor has filed its tax returns and plan; and

(C) review and monitor diligently the debtor’s activities, to identify as promptly as possible whether the debtor will be unable to complete a plan and

(D) in any case in which the United States trustee finds material grounds for any relief
under section 1112 of title 11, the United States trustee shall apply promptly after making that finding to the court for relief.

SEC. 440. SCHEDULING CONFERENCES.
Section 103(d) of title 11, United States Code, is amended—
(1) in the matter preceding paragraph (1), by striking “, may”; and
(2) by striking paragraph (1) and inserting the following:

“(1) shall hold such status conferences as are necessary to further the expeditious and economical resolution of the case; and”.

SEC. 441. SERIAL FILER PROVISIONS.
Section 362 of title 11, United States Code, as amended by this Act is amended—
(1) in subsection (k), as redesignated by this Act—
(A) by striking “An” and inserting “that
except as provided in paragraph (2), an”;
and
(B) by adding at the end the following:

“(2) If such violation is based on an action taken by an entity in the good faith belief that subsection (b) applies to the debtor, the recovery under paragraph (1) of this subsection against such entity shall be limited to actual damages.”; and
(2) by adding at the end the following:

“(1)(Except as provided in paragraph (2) of this subsection the provisions of subsection (a) do not apply in a case in which the debtor—
(A) is a debtor in a small business case pending at the time the petition is filed;
(B) was a debtor in a small business case that was dismissed for any reason by an order that became final in the 2-year period ending on the date of the order for relief entered with respect to the petition;
(C) was a debtor in a small business case in which a plan was confirmed in the 2-year period ending on the date of the order for relief entered with respect to the petition;
(D) is an entity that has succeeded to substantially all of the assets or business of a small business debtor described in subparagraph (A), (B), or (C).

(2) This subsection does not apply—
(A) to an involuntary case involving no collusion by the debtor with creditors; or
(B) to the filling of a petition if—
(i) the debtor proves by a preponderance of the evidence that the filing of that petition resulted from circumstances beyond the control of the debtor not foreseeable at the time the case then pending was filed; and
(ii) it is more likely than not that the court will confirm a feasible plan, but not a liquidating plan, within a reasonable period of time.”.

SEC. 442. EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION AND APPOINTMENT OF TRUSTEE.
(a) EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION.—Section 1112 of title 11, United States Code, is amended by striking subsection (b) and inserting the following:

“(b)(1) Except as provided in paragraph (2) of this subsection—
(i) the provisions of subsection (a) do not apply
(ii) a case may be dismissed
(iii) a case may be converted to
(iv) a case may not be dismissed
(v) a case may not be converted to
(vi) a case may not be dismissed
(vii) a case may not be converted to
(viii) a case may not be dismissed
(ix) a case may not be converted to
(x) a case may not be dismissed
(xi) a case may not be converted to
(xii) a case may not be dismissed
(xiii) a case may not be converted to
(xiv) a case may not be dismissed
(xv) a case may not be converted to
(xvi) a case may not be dismissed
(xvii) a case may not be converted to
(xviii) a case may not be dismissed
(xix) a case may not be converted to
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(xxv) a case may not be converted to
(xxvi) a case may not be dismissed
(xxvii) a case may not be converted to
(xxviii) a case may not be dismissed
(xxix) a case may not be converted to

(2) in paragraph (1), by striking “and” and inserting “before the

(b) ADDITIONAL GROUNDS FOR APPOINTMENT OF TRUSTEE.—Section 1104(a) of title 11, United States Code, is amended—
(1) in paragraph (2), by striking the last sentence and inserting the following:

“(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

SEC. 444. PAYMENT OF INTEREST.
Section 362(d)(3) of title 11, United States Code, is amended—
(1) by inserting “or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later” after “90-day period”;
and
(2) by striking subparagraph (B) and inserting the following:

“(B) the debtor has commenced monthly payments that—
(i) may, in the debtor’s sole discretion, notwithstanding section 363(c)(2), be made from rents or other income generated before or after the commencement of the case by or from the property to each creditor whose claim is secured by an interest in real property other than a claim secured by a judgment lien or by an unenforceable statutory lien; and
(ii) are in an amount equal to interest at the applicable nondiscounted contract rate of interest on the value of the creditor’s interest in the real estate, or

SEC. 445. PRIORITY FOR ADMINISTRATIVE EXPENSES.
Section 503(b) of title 11, United States Code, is amended—
(1) in paragraph (5), by striking “and” at the end;
(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and
(3) by adding at the end the following:

“(7) with respect to a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and

(8) in paragraph (7), by striking “the” and inserting “a” after “90-day period”.

SEC. 502. APPLICABILITY OF OTHER SECTIONS TO CHAPTER 9.
Section 505(a) of title 11, United States Code, is amended—
(2) by striking the last sentence and inserting the following:

“(2) in paragraph (7), by striking the period at the end and inserting a semicolon; and
(3) by adding at the end the following:

“(7) with respect to a voluntary transfer of property to or by a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and

(8) in paragraph (7), by striking “the” and inserting “a” after “90-day period”.

SEC. 503. APPLICABILITY OF OTHER SECTIONS TO CHAPTER 11.
Section 522(b)(6) of title 11, United States Code, is amended—
(1) by inserting “a” before “A voluntary transfer of property to or by a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and
(2) by striking the last sentence and inserting the following:

“(1) a voluntary transfer of property to or by a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and

(2) in paragraph (7), by striking the period at the end and inserting a semicolon; and
(3) by adding at the end the following:

“(7) with respect to a voluntary transfer of property to or by a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and

(8) in paragraph (7), by striking “the” and inserting “a” after “90-day period”.

TITLE V—MUNICIPAL BANKRUPTCY PROVISIONS
SEC. 501. PETITION AND PROCEEDINGS RELATED TO PETITION.
(a) TECHNICAL AMENDMENT RELATING TO MUNICIPALITIES.—Section 921(d) of title 11, United States Code, is amended by inserting “notwithstanding section 301(b)” before the period at the end.

(b) CONFIRMING AMENDMENT.—Section 301 of title 11, United States Code, is amended—
(1) by inserting “(a)” before “A voluntary transfer of property to or by a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and
(2) by striking the last sentence and inserting the following:

“(1) a voluntary transfer of property to or by a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and

(2) in paragraph (7), by striking the period at the end and inserting a semicolon; and
(3) by adding at the end the following:

“(7) with respect to a voluntary transfer of property to or by a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due under the lease, excluding those arising from or relating to a failure to operate or perform any nonmonetary obligations, for the period of 90 days following the date of the order for relief; and

(8) in paragraph (7), by striking “the” and inserting “a” after “90-day period”. "
TITLE VI—BANKRUPTCY DATA

SEC. 601. IMPROVED BANKRUPTCY STATISTICS. (a) General.—Chapter 6 of title 28, United States Code, is amended by adding at the end the following:

§ 159. Bankruptcy statistics

(a) The clerk of each district shall collect statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be a standardized form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the ‘‘Director’’).

(b) The Director shall—

(1) compile the statistics referred to in subsection (a); and

(2) make the statistics available to the public; and

(3) not later than October 31, 2002, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

(c) The compilation required under subsection (b) shall—

(1) be itemized, by chapter, with respect to title 11;

(2) be presented in the aggregate and for each chapter of title 11;

(3) include information concerning—

(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed pursuant to section 2075 of this title and filed by those debtors;

(B) the current monthly income, average income, and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 1042 and 1222 of title 11;

(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

(D) the average period of time between the filing of the petition and the closing of the case;

(E) for the reporting period—

(i) the number of cases in which a reaffirmation was filed; and

(ii) the number of cases in which a reaffirmation was filed, the number of cases in which the debtor was not represented by an attorney; and

(iii) of those cases in which a reaffirmation was filed, the number of cases in which the reaffirmation was approved by the court; and

(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

(i) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

(ii) the number of final orders determining the value of property securing a claim issued; and

(G) the number of cases in which creditors were fined for misconduct and any amount of punitive damages awarded by the court for creditor misconduct; and

(H) the number of cases in which sanc-

tions under rule 9011 of the Federal Rules of Bankruptcy Procedure were imposed against debtor’s counsel or damages awarded under such rule;*

(b) Clerical Amendment.—The table of sections for chapter 6 of title 28, United States Code, is amended by adding at the end the following:

§ 159. Bankruptcy statistics.

(c) Effective Date.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 602. UNIFORM RULES FOR THE COLLECTION OF BANKRUPTCY DATA

(a) Amendment.—Chapter 39 of title 28, United States Code, is amended by adding at the end the following:

§ 589B. Bankruptcy data

(a) Rules.—The Attorney General shall, within a reasonable time after the effective date of this section, issue rules requiring uniform forms for—

(1) final reports by trustees in cases under chapters 7, 12, and 13 of title 11; and

(2) periodic reports by debtors in possession or trustees, as the case may be, in cases under chapter 11 of title 11.

(b) Reports.—Each report referred to in subsection (a) shall be designed (and the requirements as to place and manner of filing shall be established) so as to facilitate compilation of data and maximum possible access of the public, both by physical inspection at one or more central filing locations, and by electronic access through the Internet or other appropriate media.

(c) Required Information.—The information required to be filed in the reports referred to in subsection (a) shall be that which is in the best interests of debtors and creditors, and in the public interest in reason-}

able and adequate information to evaluate the efficiency and practicality of the Federal bankruptcy system. In issuing rules proposing the forms referred to in subsection (a), the Attorney General shall strive to develop forms which are as uniform as possible, including procedures to determine the accuracy, veracity, and completeness of information. In addition, the Attorney General shall establish procedures to determine the accuracy, veracity, and completeness of information which is in the best interests of debtors and creditors, and in the public interest in reasonable and adequate information to evaluate the efficiency and practicality of the Federal bankruptcy system. Such audits shall be in accordance with generally accepted auditing standards and performed by independent certified public accountants or independent licensed public accountants, provided that the Attorney General and the Judicial Conference, as appropriate, may develop alternative auditing standards.

SEC. 603. AUDIT PROCEDURES.

(a) In General.—

(1) Establishment of Procedures.—The Attorney General (in judicial districts served by United States trustees) and the Judicial Conference of the United States (in judicial districts served by bankruptcy administra-

tors) shall establish procedures to determine the accuracy, veracity, and completeness of information which is in the best interests of debtors and creditors, and in the public interest in reasonable and adequate information to evaluate the efficiency and practicality of the Federal bankruptcy system. Such audits shall be in accordance with generally accepted auditing standards and performed by independent certified public accountants or independent licensed public accountants, provided that the Attorney General and the Judicial Conference, as appropriate, may develop alternative auditing standards.

(b) Reports.—Those procedures required by paragraph (1) shall—

(A) establish a method of selecting appropriate qualified persons to contract to perform those audits;

(B) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 250 cases in each Federal judicial district shall be selected for audit;

(C) require audits for schedules of income and expenses which were required by the higher expected statistical norm of the district in which the schedules were filed; and
(D) establish procedures for providing, not less frequently than annually, public information concerning the aggregate results of such audits including the percentage of cases, by bankruptcy clerk, in which a material misstatement of income or expenditures is reported.

(b) AMENDMENTS.—Section 506 of title 28, United States Code, is amended—
(1) in subsection (a), by striking paragraph (6) and inserting the following:

"(6) make such reports as the Attorney General may require including the results of audits performed under section 606(a) of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001; and"

(2) by adding at the end the following:

"(1)(1) The United States trustee for each district is authorized to contract with auditors to perform audits in cases designated by the United States trustee, in accordance with the procedures established under section 606(a) of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2001.

"(2)(A) The report of each audit referred to in paragraph (1) shall be filed with the court and transmitted to the United States trustee.

"(B) in paragraph (3), by striking the period after "under chapter 7; and"

"(ii) describe where further information concerning additional requirements for filing such requests may be found.

"(B) If a material misstatement of income or expenditures or of assets is reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

"(ii) if advisable, take appropriate action, including commencing an adversary proceeding to revoke the debtor's discharge pursuant to section 727(d) of title 11, United States Code, after "under this title";

"(ii) exhaust the unencumbered assets of the estate; and

"(B) a material misstatement in an audit referred to in subsection (a)(1) is made.

"(B) data for any particular bankruptcy case are aggregated in the same electronic record.

TITLE VII—BANKRUPTCY TAX PROVISIONS

SEC. 701. TREATMENT OF CERTAIN LIENS.
(a) TREATMENT OF LIENS.—Section 725 of title 11, United States Code, is amended—
(1) in subsection (b), in the matter preceding paragraph (1) (other than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate) after "under this title";

"(i) designate an address for service of requests under this subsection; and

"(2) in subsection (b)(2), by inserting "except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under section 107(a)(3) of this title" after "(ii)";

(3) by adding at the end the following:

"(e) CLERICAL AMENDMENTS.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

"(f) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

SEC. 604. SENSE OF CONGRESS REGARDING AVAILABILITY OF BANKRUPTCY DATA.

It is the sense of Congress that—
(1) the national policy of the United States should be that all data held by bankruptcy clerks in electronic form, to the extent such data reflects only public records (as defined in section 107 of title 11, United States Code), should be available to the public for inspection and for an audit referred to in section 586(f) of title 28.

(2) it is the sense of Congress and the Judicial Conference of the United States may determine; and

(2) there should be established a bankruptcy data system in which (A) data and forms are used to collect data nationwide; and

(B) in the case of taxes paid under a confirmed plan or under an administrative expense tax, or the payment of interest on a tax claim or on an offer in compromise, the rate of interest shall be the rate determined under applicable bankruptcy law.

(3) by inserting "a governmental unit referred to in subparagraph (A) that does not designate an address and provide that address to the creditor under that subparagraph, any request made under this subsection may be served at the address for the filing of a tax return or protest with the appropriate taxing authority of that governmental unit."

"(i) designate an address for service of requests under this subsection; and

"(ii) describe where further information concerning additional requirements for filing such requests may be found.

"(ii) exhaust the unencumbered assets of the estate; and

"(B) a material misstatement in an audit referred to in subsection (a)(1) is made.

"(B) data for any particular bankruptcy case are aggregated in the same electronic record.

"(ii) describe where further information concerning additional requirements for filing such requests may be found.

"(B) If a material misstatement of income or expenditures or of assets is reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

"(ii) exhaust the unencumbered assets of the estate; and

"(B) a material misstatement in an audit referred to in subsection (a)(1) is made.

"(B) data for any particular bankruptcy case are aggregated in the same electronic record.

"(ii) describe where further information concerning additional requirements for filing such requests may be found.

"(B) If a material misstatement of income or expenditures or of assets is reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

"(ii) exhaust the unencumbered assets of the estate; and

"(B) a material misstatement in an audit referred to in subsection (a)(1) is made.

"(B) data for any particular bankruptcy case are aggregated in the same electronic record.

"(ii) describe where further information concerning additional requirements for filing such requests may be found.

"(B) If a material misstatement of income or expenditures or of assets is reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

"(ii) exhaust the unencumbered assets of the estate; and

"(B) a material misstatement in an audit referred to in subsection (a)(1) is made.
of a request by the debtor for a hearing and an appeal of any collection action taken or proposed against the debtor, plus 90 days; plus (ii) any time during which the stay of proceedings was in effect in a prior case under this title or during which collection was precluded by the existence of 1 or more confirmed plans under this title, plus 90 days.

SEC. 706. PRIORITY PROPERTY TAXES INCURRED.

Section 507(a)(8)(B) of title 11, United States Code, is amended by striking “assessed” and inserting “incurred”.

SEC. 707. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 13.

Section 1328(a)(2) of title 11, United States Code, as amended by section 314 of this Act, is amended by striking “paragraph” and inserting “section 507(a)(8)(C) or in paragraph (1)(B), (1)(C),”.

SEC. 708. NO DISCHARGE OF FRAUDULENT TAXES IN CHAPTER 11.

Section 1141(d) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

“(6) Notwithstanding paragraph (1), the confirmation of a plan does not discharge a debtor that is a corporation from any debt incurred before the date of the order for relief under this title.”

SEC. 710. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.

Section 1129(a)(9) of title 11, United States Code, is amended—

(1) in subparagraph (B), by striking “and” at the end;

(2) in subparagraph (C), by striking “deferred cash payments,” and all that follows through the end of the subparagraph, and inserting “regular installment payments in cash—

“(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim; and

“(ii) over a period ending not later than 5 years after the date of the entry of the order for relief under section 301, 302, or 303; and

“(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for in the plan (other than cash payments made to a class of creditors under section 1122(b)); and

“(3) by adding at the end the following:

“(D) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8), but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in subparagraph (C)”;.

SEC. 711. AVOIDANCE OF STATUTORY TAX LIENS PRIOR TO BANKRUPTCY.

Section 546(b)(2) of title 11, United States Code, is amended by inserting before the semicolon at the end the following: “, except in any case in which a purchaser is a purchaser under section 546(b) of the Internal Revenue Code of 1986, or in any other similar provision of State or local law”.

SEC. 712. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.

(a) PAYMENT OF TAXES REQUIRED.—Section 960 of title 28, United States Code, is amended—

(1) by inserting “(a)” before “Any”; and

(2) by adding at the end the following:

“(B) A tax (a) shall be paid on or before the due date of the tax under applicable nonbankruptcy law, unless

“(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable period of time after the lien attaches by the trustee of a bankruptcy estate under section 550 of title 11; or

“(2) payment of the tax is excused under a specific provision of title 11.

“(c) In a case pending under chapter 7 of title 11, confirmation of a plan may be deferred until final distribution is made under section 726 of title 11, if—

“(1) the tax was not incurred by a trustee duly appointed under chapter 11; or

“(2) before the due date of the tax, an order of the court makes a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b)(1) of title 11 that have the same priority in distribution under section 726(b) of title 11 of the priority of the tax.

(b) PAYMENT OF AD VALOREM TAXES REQUIRED.—Section 503(b)(1)(B)(i) of title 11, United States Code, is amended by inserting “whether secured,”

(c) REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSE TAXES ELIMINATED.—Section 503(b)(1) of title 11, United States Code, is amended—

(1) in subparagraph (B), by inserting “and” at the end;

(2) in subparagraph (C), by adding “and” at the end; and

(3) by adding at the end the following:

“(D) P AYMENT OF TAXES AND FEES AS SE- CURED CLAIMS.

Section 505(b)(1) of title 11, United States Code, is amended by striking “return includes a return prepared pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law.”.

SEC. 713. TARDY FILED PRIORITY TAX CLAIMS.

Section 726(a)(1) of title 11, United States Code, is amended by striking “before the date on which the trustee commences dis- trIBUTION under this section;” and inserting the following: “on or before the earlier of—

“(A) the date that is 10 days after the mailing to creditors of the summary of the trustee’s final report, in accordance with applicable nonbankruptcy law.

“(B) the date on which the trustee com- mences final distribution under this sec- tion;”.

SEC. 714. Income tax returns prepared by tax authorities.

Section 523(a) of title 11, United States Code, as amended by this Act, is amended—

(1) in paragraph (4), by striking “petition for relief is filed” and inserting “the date of the filing of the petition;”.

(a) FILING OF PREPETITION TAX RETURNS FOR PROPOSED CONFIRMATION.

(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.

(c) TARDY FILED PRIORITY TAX RETURNS.

(d) FILING OF POSTPETITION TAX RETURNS.

(e) FILING OF PREPETITION PAYMENTS.

(f) REQUIRING THE DEBTOR TO FILE STATE AND LOCAL TAX RETURNS.

(g) FILING OF POSTPETITION TAX RETURNS.

(h) Filing of prepetition tax returns

(1) Not later than the day before the date on which the meeting of the creditors is first scheduled to be held under section 341(a), the debtor must file with the trustee a return as required under applicable nonbankruptcy law, the date of which falling first is selected by the trustee.

(2) Upon notice and hearing, and order entered thereon, the trustee may require the debtor to file a return as required under applicable nonbankruptcy law, the date of which falling first is selected by the trustee.

(3) The debtor must file the return as required under this subsection no later than 2 years after the date of the filing of the petition.

(4) The debtor must file the return as required under this subsection on or before the earlier of—

“(A) the date of the filing of the petition; or

“(B) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request is timely filed.

(5) Any return prepared pursuant to this section shall be held in confidence to the extent required under applicable nonbankruptcy law.

(6) Upon notice and hearing, and order entered thereon, the trustee may require the debtor to file a return as required under this subsection no later than 2 years after the date of the filing of the petition.

(7) The debtor must file the return as required under this subsection on or before the earlier of—

“(A) the date of the filing of the petition; or

“(B) the date on which the return is due under the last automatic extension of time for filing that return to which the debtor is entitled, and for which request is timely filed.

(8) Any return prepared pursuant to this section shall be held in confidence to the extent required under applicable nonbankruptcy law.

(9) Upon request, the bankruptcy court may enter an order extending the time for filing the return as required under this subsection for such additional period of time as the court determines to be reasonable.

(10) Any return prepared pursuant to this section shall be held in confidence to the extent required under applicable nonbankruptcy law.

(11) The debtor shall be held liable to the estate for any fraud or misrepresentations made in the return as required under this subsection.

(12) Any return prepared pursuant to this section shall be held in confidence to the extent required under applicable nonbankruptcy law.

(13) Any return prepared pursuant to this section shall be held in confidence to the extent required under applicable nonbankruptcy law.

SEC. 715. DISCHARGE OF THE ESTATES LIABILITY FOR UNPAID TAXES.

Section 503(b)(2) of title 11, United States Code, as amended by this Act, is amended by inserting “the estate,” after “misrepresenta- tion.”.

SEC. 716. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.

(a) FILING OF PREPETITION TAX RETURNS REQUIRED FOR PLAN CONFIRMATION.

(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.

(c) IN GENERAL.

(d) FILING OF POSTPETITION TAX RETURNS.

(e) Filing of prepetition tax returns

(f) Filing of postpetition tax returns

(g) Tardy filed priority tax claims

(h) Tardy filed priority tax claims

(i) Filing of prepetition tax returns

(j) Filing of postpetition tax returns

(k) Filing of prepetition tax returns

(l) Filing of postpetition tax returns

(m) Filing of prepetition tax returns

(n) Filing of postpetition tax returns

(o) Filing of prepetition tax returns

(p) Filing of postpetition tax returns

(q) Filing of prepetition tax returns

(r) Filing of prepetition tax returns

(s) Filing of prepetition tax returns

(t) Filing of prepetition tax returns

(u) Filing of prepetition tax returns

(v) Filing of prepetition tax returns

(w) Filing of prepetition tax returns

(x) Filing of prepetition tax returns

(y) Filing of prepetition tax returns

(z) Filing of prepetition tax returns

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to subsection (a) or (b) of section 6263 of the Internal Revenue Code of 1986, or a similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal.

(2) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 13 of title 11, United States Code, is amended by inserting in the item relating to section 1307 the following:

"1307. Filing of prepetition tax returns.
(a) In General.—Section 362 of title 11, United States Code, is amended—
(1) by inserting after subsection (a) the following:
"(a) The trustee shall make tax returns of income received under any such State or local law.
(2) in addition to the provisions of Rule 3007 of title 11, United States Code, is amended—
(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and
(2) by inserting after subsection (d) the following:
"(e) Upon the failure of the debtor to file a tax return under section 1308, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interest of the creditors and the estate.
(b) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States should, as soon as practical after the date of enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—
(1) notwithstanding the provisions of Rule 3015(c), in cases under chapter 13 of title 11, United States Code, an objection to the confirmation of a plan filed by a governmental unit or on or before the date that is 60 days after the date on which the debtor files all tax returns required under sections 1303 and 1322(a)(7) of title 11, United States Code, shall be treated for all purposes as if such objection had been timely filed before such confirmation; and
(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax return required to be filed under section 1308 of title 11, United States Code, shall be filed until such return has been filed as required.

SEC. 719. SPECIAL PROVISIONS RELATED TO THE TREATMENT OF STATE AND LOCAL TAXES.

(a) IN GENERAL.—Section 366 of title 11, United States Code, is amended to read as follows:
"§ 366. Special provisions related to the treatment of state and local taxes.
"(a) Whenever the Internal Revenue Code of 1986 provides that a separate taxable estate or entity is created in a case concerning a debtor under this title, and the income, gain, loss, deductions, and credits of such estate shall be taxed to or claimed by the estate, a separate taxable estate is also created for purposes of any State and local law imposing a tax on or measured by income and may be taxed to or claimed by the estate, such income, gain, loss, deductions, and credits shall be taxed to or claimed by the estate and may not be taxed to or claimed by the debtor.
(b) The trustee shall make tax returns of income received under any such State or local law.

(2) Except as provided in this section and section 367, the manner of filing tax returns and the items of income, gain, loss, deduction, and credit of any taxpayer shall be determined under applicable nonbankruptcy law.

(3) For purposes of any State or local law imposing a tax on or measured by income, the transfer of property from the debtor to the estate or from the estate to the debtor shall be treated as a return or a setoff of a tax liability to or from the estate or a return or a setoff of a tax liability from the estate, in accordance with the applicable law, including the Internal Revenue Code of 1986.

(4) Whenever a tax is imposed pursuant to a State or local law imposing a tax on or measured by income pursuant to subsection (a) or (b), such tax shall be imposed at rates generally applicable to the same types of entities under such State or local law.

(b) The trustee shall make tax returns of such income from any payment of claims for wages, salaries, commissions, dividends, interest, or other payments, or collect, any amount required to be withheld or collected under applicable State or local tax law, and shall pay such withheld or collected amount to the appropriate governmental unit at the time and in the manner required by such tax law, and with the same priority as the claim from which such amount was withheld or collected was paid.
"(1)(I) To the extent that any such tax is imposed by the United States, the trustee shall apply the tax at rates generally applicable to the same types of entities under such State or local law.
(II) To the extent that any such tax is imposed by the United States, the trustee shall apply the tax at rates generally applicable to the same types of entities under such State or local law.

(c) With respect to a partnership or any entity treated as a partnership under a State or local law imposing a tax on or measured by income that is a partner in a case under this title, any gain or loss resulting from a distribution of property from such partnership, or any distributive share of any income, gain, loss, deduction, or credit of a partner or member that is distributed, or considered distributed, from such partnership, of the taxable period of such case, is gain, loss, income, deduction, or credit, as the case may be, of the partner or member, and if such partner or member is a debtor in a case under this title, shall be subject to tax in accordance with subsection (a) or (b).
(d) For purposes of any State or local law imposing a tax on or measured by income, the tax imposed on or paid by a case under this title shall terminate only if and to the extent that the taxable period of such debtor terminates under the Internal Revenue Code of 1986.
"(e) The estate in any case described in subsection (a) shall use the same accounting method as the debtor used immediately before the commencement of the case, if such method of accounting complies with applicable nonbankruptcy tax law.

(2) For Federal tax purposes, the provisions of this section are subject to the Internal Revenue Code of 1986 and other applicable Federal nonbankruptcy law.

(b) CONFORMING AMENDMENTS.—
(1) Section 728 of title 11, United States Code, is repealed.
(2) Section 1402 of title 11, United States Code, is amended—
(1) by striking subsections (a) and (b); and
§1501. Purpose and scope of application

(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

(1) cooperation between—

(A) United States courts, United States trustees, trustees, examiners, debtors, and debtors in possession;

(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

(2) greater legal certainty for trade and investment;

(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

(4) protection and maximization of the value of the debtor’s assets; and

(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

(b) This chapter applies where—

(1) cooperation between

(A) United States courts, United States trustees, trustees, examiners, debtors, and debtors in possession;

(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

(2) greater legal certainty for trade and investment;

(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

(4) protection and maximization of the value of the debtor’s assets; and

(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

(c) This chapter applies where—

(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

(2) assistance is sought in a foreign country in connection with a case under this title;

(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently;

(4) a foreign court or a foreign representative in connection with a foreign proceeding;

(5) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently;

(6) and who are citizens of the United States or foreign nonmain proceeding

§1502. Definitions

(a) Subject to the specific limitations stated elsewhere in this chapter the court, if recognition is granted, may provide additional assistance under this title or under other laws of the United States.

(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

(1) just treatment of all holders of claims against or interests in the debtor’s property;

(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

(3) prevention of preferential or fraudulent dispositions of property of the debtor;

(4) distribution of proceeds of the debtor’s property substantially in accordance with the order prescribed by this title; and

(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.
§ 1508. Interpretation

“In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THUS COURT

§ 1509. Right of direct access

(a) A foreign representative may commence a case under section 1504 by filing directly with the court a petition for recognition of a foreign proceeding under section 1515.

(b) If the court grants recognition under section 1515, it shall, and subject to any limitations that the court may impose consistent with the policy of this chapter—

(1) the foreign representative has the capacity to sue and be sued in a court in the United States;

(2) the foreign representative may apply directly to a court in the United States for appropriate relief in that court; and

(3) a court in the United States shall grant comity or cooperation to the foreign representative.

(c) A request for comity or cooperation by a foreign representative in a court in the United States other than the court which granted recognition shall be accompanied by a certified copy of an order granting recognition under section 1515.

(d) If the court denies recognition under this chapter, the court may issue any appropriate order necessary to prevent the foreign representative from obtaining comity or cooperation from courts in the United States. The court shall consider that, under the circumstances, some other form of notification would be more appropriate. No letter or other formality is required.

(e) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

(1) indicate the time period for filing proofs of claim and specify the place for their filing;

(2) indicate whether secured creditors need to file their proofs of claim; and

(3) contain any other information required to be included in such a notification to creditors under this title and the orders of the court.

(f) Any rule of procedure or order of the court as to notice or the filing of a claim may be included in such a notification to creditors with foreign addresses as is reasonable under the circumstances.

§ 1510. Limited jurisdiction

“The sole fact that a foreign representative files a petition under section 1515 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

§ 1511. Commencement of case under section 301 or 303

(a) Upon recognition, a foreign representative may commence—

(1) an involuntary case under section 303; or

(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

(b) The petition commencing a case under subsection (a) must be accompanied by a certified copy of an order granting recognition. The court where the petition for recognition has been filed must be advised of the foreign representative’s intention to commence a case under subsection (a) prior to such commencement.

§ 1512. Participation of a foreign representative in a case under this title

Upon recognition of a foreign proceeding, the foreign representative in the recognized proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

§ 1513. Access of foreign creditors to a case under this title

(a) Foreign creditors have the same rights regarding the commencement of, and partici-

§ 1514. Notification to foreign creditors concerning a case under this title

(a) Whenever in a case under this title notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that any appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

(b) Such notification to creditors with foreign addresses under subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letter or other formality is required.

(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

(1) indicate the time period for filing proofs of claim and specify the place for their filing;

(2) indicate whether secured creditors need to file their proofs of claim; and

(3) contain any other information required to be included in such a notification to creditors under this title and the orders of the court.

(d) Any rule of procedure or order of the court as to notice or the filing of a claim may be included in such a notification to creditors with foreign addresses as is reasonable under the circumstances.

§ 1515. Application for recognition

(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

(b) A petition for recognition shall be accompanied by—

(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative;

(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court in the circumstances of the foreign proceeding and of the appointment of the foreign representative.

(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debt or that are known to the foreign representative.

(d) The documents referred to in paragraphs (1) and (2) of subsection (b) shall be translated into English. The court may require a translation into English of additional documents.

§ 1516. Presumptions concerning recognition

(a) If the decision or certificate referred to in section 1515(b) indicates that the foreign proceeding is a foreign proceeding (as defined in section 101) and that the person or body is a foreign representative (as defined in section 101), the court is entitled to so presume.

(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether or not they have been legalized.

(c) In the absence of evidence to the contrary, the debtor’s registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor’s main interests.

§ 1517. Order granting recognition

(a) Subject to section 1506, after notice and a hearing, an order recognizing a foreign proceeding shall be entered if—

(1) the foreign proceeding for which recognition is sought is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 1502;

(2) the foreign representative applying for recognition is a person or body as defined in section 101; and

(3) the petition meets the requirements of section 1515.

(b) The foreign proceeding shall be recognized as—

(1) a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

(2) a foreign nonmain proceeding if the debtor has an establishment within the foreign country where the proceeding is pending, a court in the United States other than the court which granted recognition is a person or body as defined in section 101.

The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the declaratory recognition. The case under this chapter may be closed in the manner prescribed under section 350.

§ 1518. Subsequent information

“Upon the time of filing the petition for recognition of the foreign proceeding, the foreign representative shall file with the court promptly a notice of change of status concerning—

(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative’s appointed or otherwise authorized representative in the foreign proceeding or of the person or body that is the subject of the petition for recognition; or

(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

§ 1519. Relief that may be granted upon filing petition for recognition

(a) From the time of filing a petition for recognition until the court rules on the petition, the court may, at the request of the foreign representative, where relief is urgently needed to prevent imminent irreparable injury to the debtor or the interests of the creditors, grant relief of a provisional nature, including—

(1) staying execution against the debtor’s assets;

(2) entrusting the administration or realization of all or part of the debtor’s assets located in the United States to the foreign representative or another person appointed by the court, including an examiner, in order to protect and preserve the value of assets that,
by their nature or because of other circum-
cumstances, are perishable, susceptible to de-
evaluation or otherwise in jeopardy; and
(3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a)
"(b) Unless extended under section 1521(a)(6), the relief granted under this sec-
tion terminates when the petition for recogni-
tion is granted.
"(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.
"(d) The court may not enjoin a police or regulatory act of a governmental unit, in-
cluding a criminal action or proceeding, under this section.
"(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.
"(f) The exercise of rights not subject to the stay arising under section 362(a) pursuant to paragraph (6), (7), (17), or (28) of section 362(a) of this title, shall not be stayed by any order of a court or administr-
ative agency in any proceeding under this chapter.
§ 1529. Coordination of a case under this title after recognition of a foreign main proceeding
(a) If a foreign proceeding and a case under this title are within the jurisdiction of the court, the court shall cooperate to the maximum extent possible with foreign courts or foreign representa-
tives, either directly or through the trustee.
"(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representa-
tives, subject to the rights of parties and interests of justice.
§ 1526. Cooperation and direct communica-
tion between the court and foreign courts or foreign representatives
(a) Consistent with section 1501, the court shall cooperate to the maximum extent possible with foreign courts or foreign representa-
tives, either directly or through the trustee.
(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representa-
tives, subject to the rights of parties and interests of justice.
§ 1527. Forms of cooperation
"(a) Consistent with section 1501, the trust-
ee or other person, including an examiner, authorized by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representa-
tives.
(b) The trustee or other person, including an examiner, authorized by the court, subject to the supervision of the court, to communicate directly with foreign courts or foreign representa-
tives.
§ 1528. Coordination of a case under this title and a foreign proceeding
"(a) Upon recognition of a foreign pro-
ceeding, the foreign representative shall file a petition commencing a case under this title, within the territorial jurisdiction of the United States, to be administered in the United States; and
(b) The court is entitled to communicate with foreign courts or foreign representa-
tives, to the maximum extent possible with foreign courts or foreign representa-
tives, subject to the rights of parties and interests of justice.
"(c) The court may subject relief granted under section 1519 or 1521, the operation of the debtor’s business under section 1520(a)(3) of this title, to conditions it considers appro-
priate, including the giving of security or the filing of a report.
(d) The court may not enjoin a police or regulatory act of a governmental unit, in-
cluding a criminal action or proceeding, under this section.
§ 1522. Protection of creditors and other inter-
ested persons
(a) The court may grant relief under section 1519 or 1521, or may modify or terminate relief under subsection (c), only if the interests of creditors and other interested enti-
ties, including the debtor, are sufficiently protected.
(b) The court may subject relief granted under section 1519 or 1521, or the operation of the debtor’s business under section 1520(a)(3) of this title, to conditions it considers appro-
priate, including the giving of security or the filing of a report.
(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 1519 or 1521, or at its own motion, modify or terminate such relief.
(d) Section 110(d) shall apply to the appoint-
ment of an examiner for a chapter 11 case.
§ 1523. Actions to avoid acts detrimental to creditors
(a) Upon recognition of a foreign pro-
ceeding, the foreign representative has standing in a case concerning the debtor pending under another chapter of this title to initiate actions under sections 322, 544, 545, 547, 548, 550, 553, and 724(a).
(b) When the foreign proceeding is a for-
eign main proceeding, the court must be satisfied that an examination pursuant to subsection (a) relates to assets that, under United States law, should be administered in the foreign main proceeding.
§ 1524. Intervention by a foreign representa-
tive
"(a) Upon recognition of a foreign represen-
tative, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.
"(b) The foreign representative may intervene in any proceeding in a nonmain proceeding in the United States in which the debtor is a party.
"(c) The court may not enjoin a police or regulatory act of a governmental unit, in-
cluding a criminal action or proceeding, under this section.
"(d) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.
"(e) The exercise of rights not subject to the stay arising under section 362(a) pursuant to paragraph (6), (7), (17), or (28) of section 362(a) of this title, shall not be stayed by any order of a court or admin-
istrative agency in any proceeding under this chapter.
"(f) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representa-
tives, subject to the rights of parties and interests of justice.
§ 1525. Cooperation and direct communica-
tion between the court and foreign courts or foreign representatives
(a) Consistent with section 1501, the court shall cooperate to the maximum extent possible with foreign courts or foreign representa-
tives, either directly or through the trustee.
(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representa-
tives, subject to the rights of parties and interests of justice.
"(c) The court may subject relief granted under section 1519 or 1521, or the operation of the debtor’s business under section 1520(a)(3) of this title, to conditions it considers appro-
priate, including the giving of security or the filing of a report.
(d) The court may not enjoin a police or regulatory act of a governmental unit, in-
cluding a criminal action or proceeding, under this section.
§ 1526. Cooperation and direct communica-
tion between the court and foreign courts or foreign representatives
(a) Consistent with section 1501, the trust-
ee or other person, including an examiner, authorized by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representa-
tives.
(b) The trustee or other person, including an examiner, authorized by the court, subject to the supervision of the court, to communicate directly with foreign courts or foreign representa-
tives.
§ 1527. Forms of cooperation
"(a) Consistent with section 1501, the trust-
ee or other person, including an examiner, authorized by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representa-
tives.
(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representa-
tives, subject to the rights of parties and interests of justice.
§ 1528. Coordination of a case under this title and a foreign proceeding
"(a) Upon recognition of a foreign pro-
ceeding, the foreign representative has standing in a case concerning the debtor pending under another chapter of this title to initiate actions under sections 541(a) and 134(e) of title 28, to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.
"(b) The court may subject relief granted under section 1519 or 1521, or the operation of the debtor’s business under section 1520(a)(3) of this title, to conditions it considers appro-
priate, including the giving of security or the filing of a report.
"(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 1519 or 1521, or at its own motion, modify or terminate such relief.
"(d) The court may not enjoin a police or regulatory act of a governmental unit, in-
cluding a criminal action or proceeding, under this section.
§ 1524. Intervention by a foreign representa-
tive
"(a) Upon recognition of a foreign represen-
tative, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.
"(b) The foreign representative may intervene in any proceeding in a nonmain proceeding in the United States in which the debtor is a party.
"(c) The court may not enjoin a police or regulatory act of a governmental unit, in-
cluding a criminal action or proceeding, under this section.
"(d) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.
"(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 1520 does not apply.

(2) If a case in the United States under this title commences after recognition, or after the filing of the petition for recognition of the foreign proceeding—

(A) any relief in effect under sections 1519 or 1521(a) as reviewed by the court shall be modified or terminated if inconsistent with the case in the United States; and

(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 1520(a) shall be modified or terminated if inconsistent with the case in the United States; and

(3) In granting, extending, or modifying relief granted to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the laws of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

(4) In achieving cooperation and coordination under sections 1528 and 1529, the court may grant any of the relief authorized under section 1525.

*§ 1530. Coordination of more than 1 foreign proceeding

"In matters referred to in section 1501, with respect to a case in the United States under chapter 15 or chapter 11, if 1 foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 1525, 1528, and 1527, and the following shall apply:

"(1) Any relief granted under section 1519 or 1521 to a representative of a foreign nonmain proceeding after recognition of a foreign proceeding must be consistent with the foreign main proceeding.

"(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.

"(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court may grant any of the relief authorized under section 1525, 1526, and 1527, and the following shall apply:

"(A) in subparagraph (N), by striking the period at the end and inserting

"(B) in subparagraph (O), by striking the period at the end and inserting

"(3)(A) a foreign insurance company, engaged in such business in the United States; or

(b) DEFINITIONS.—Section 1501 of title 11, United States Code, is amended by striking paragraphs (23) and (24) and inserting the following:

"(23) ‘foreign proceeding’ means a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;

"(24) ‘foreign representative’ means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor’s assets or affairs or to act as a representative of the foreign proceeding;”.

(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE—

(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—

(A) in subparagraph (N), by striking “and” at the end;

(B) in subparagraph (O), by striking the period at the end and inserting “; and”;

(C) by adding at the end the following:

"(P) recognition of foreign proceedings and other matters under chapter 15 of title 11.

(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1304(c) of title 28, United States Code, is amended by inserting “except with respect to a case under chapter 15 of title 11, nothing in” after “Except with respect to a case under chapter 11, nothing in”;

(3) DUTIES OF TRUSTEES.—Section 506(a)(3) of title 28, United States Code, is amended by striking “or 13” and inserting “13, or 15”;

(4) VENUE OF CASES ANCILLARY TO FOREIGN PROCEEDINGS.—Section 1410 of title 28, United States Code, is amended—

(A) in subsection (a), by inserting before the period the following: “, and this chapter, sections 307, 362(1), 555 through 557, and 559 through 562 apply in a case under chapter 15;”;

and

(3)(A) section 304 of title 11, United States Code, is repealed.

(b) The table of sections at the beginning of chapter 3 of title 11, United States Code, is amended by striking the item relating to section 304.

(c) Section 306 of title 11, United States Code, is amended by striking “, 304,” each place it appears.

(d) Section 305(a)(2) of title 11, United States Code, is amended to read as follows:

"(2)(A) a petition under section 1515 of this title for recognition of a foreign proceeding has been granted; and

"(B) the purposes of chapter 15 of this title would be best served by such dismissal or substitution.

(e) Section 508 of title 11, United States Code, is amended—

(A) by striking subsection (a); and

(B) in subsection (b), by striking “(b)”. 

TITLE IX—FINANCIAL CONTRACT PROVISIONS

SEC. 901. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR RECEIVERS OF INSURED DEPOSITORY INSTITUTIONS.

(a) DEFINITION OF QUALIFIED FINANCIAL CONTRACT.—Section 11(e)(5)(D)(I) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(5)(D)(I)) is amended by inserting “, resolution, or order” after “any similar agreement that the Corporation determines by regulation”.

(b) DEFINITION OF SECURITIES CONTRACT.—Section 11(e)(5)(D)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(5)(D)(II)) is amended to read as follows:

"(II) SECURITIES CONTRACT.—The term ‘securities contract’ means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, any interest in a mortgage loan, a group or index of securities, mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

"(II) does not include any purchase, sale, or loan of a security, a certificate of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, alone or together with all such agreements, with respect to the same security or other property or property in which there is an economic interest of the type to which the term “security” and “certificates of deposit” are applied by the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

"(III) may be any option entered into on a national securities exchange relating to foreign currencies;

"(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, together with all such agreements, with respect to the same security or other property or property in which there is an economic interest of the type to which the term “security” and “certificates of deposit” are applied by the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term; or

"(V) means any margin loan;

"(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

"(VII) means any combination of the agreements or transactions referred to in this clause;

"(VIII) means any option to enter into any agreement or transaction referred to in this clause;

"(IX) is a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement

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The table of contents to any such master agreement, with respect to a case under chapter 15, or chapter 11, United States Code, is amended to read as follows:

"(1) in which the debtor has its principal place of business or principal assets in the United States;

"(2) if the debtor does not have a place of business or assets in the United States, in which there is pending against the debtor an action or proceeding in a Federal or State court;

"(S) in a case other than those specified in paragraph (1) or (2), in which the forum has been designated by the parties having regard to the relief sought by the foreign representative.

(d) OTHER SECTIONS OF TITLE 11.—

(1) Section 109(b)(3) of title 11, United States Code, is amended to read as follows:

"(3)(A) a foreign insurance company, engaged in such business in the United States;

and

"(B) a foreign bank, savings bank, cooperative bank, savings and loan association, building and loan association, credit union, that has a branch or agency (as defined in section 1(b) of the International Banking Act of 1978 (12 U.S.C. 3101) in the United States);

(2) Section 303(k) of title 11, United States Code, is repealed.
provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII) of this clause.

"(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I) or (II);

"(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

"(V) means an agreement or transaction that is a forward, swap, future, or forward agreement; a commodity index or debt index or debt swap, option, future, or forward agreement; a credit default swap, option, or forward agreement; a credit spread or credit swap, option, future, or forward agreement; or a weather swap, weather derivative, or weather option;

"(VI) any agreement or transaction similar to any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II).

"(VII) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II);

"(VIII) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II);

"(IX) means any combination of agreements or transactions referred to in subclauses (I), (II), (III), (IV), (V), or (VI); and

"(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.

(d) DEFINITION OF FORWARD CONTRACT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)) is amended to read as follows:

"(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or property, in which the maturity date is more than 2 days after the date the contract is entered into, including, a repurchase transaction, reverse repurchase transaction, consignment transaction, lease, swap, hedge transaction, deposit, loan, option, allocation transaction, unallocated transaction, or any other similar agreement;

"(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

"(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

"(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); and

"(V) means an agreement or transaction that is a forward, swap, future, or forward agreement; a commodity index or debt index or debt swap, option, future, or forward agreement; a credit default swap, option, or forward agreement; a credit spread or credit swap, option, future, or forward agreement; or a weather swap, weather derivative, or weather option;

"(VI) any agreement or transaction similar to any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II).

"(VII) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II);

"(VIII) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II);

"(IX) means any combination of agreements or transactions referred to in subclauses (I), (II), (III), (IV), or (V);

"(X) any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II); and

"(XI) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II).

"(XII) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I) or (II).

Such term is applicable for purposes of this title only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisors Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations promulgated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.

(e) DEFINITION OF TRANSFER.—Section 11(e)(8)(D)(viii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(viii)) is amended to read as follows:

"(VI) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and

"(VII) any agreement or transaction referred to in this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV).

For purposes of this clause, the term ‘qualified foreign government security’ means a security that is a direct obligation of, or the direct obligation of a foreign government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the Federal Reserve System), or underwritten by such a government, or any obligation fully guaranteed by, the central government of a foreign country, or any combination of the two, or any other similar security, and includes any securities, commodities, equity securities or other equity instruments, debt securities, other debt instruments, or economic indices or measures of economic risk or value.

The term ‘transfer’ means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of the enjoyment of property rights in any security, or with an interest in property, including retransfer of title as a security interest and
foreclosure of the depository institution’s equity of redemption.

(b) Treatment of Qualified Financial Contracts.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (A)—

(A) by striking “paragraph (10)” and inserting “paragraph (9) and (10)”; and

(B) in clause (i), by striking “to cause the termination or liquidation” and inserting “such person has to cause the termination, liquidation or conservation”; and

(C) by striking clause (ii) and inserting the following:

(ii) transfer none of the qualified financial contracts described in clause (I) and in a qualified financial contract of an insured depository institution in default.

(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this paragraph, the term ‘walkaway clause’ means a provision in a qualified financial contract that, after calculation of a value of a party’s position or an amount due to or from 1 of the parties in accordance with the terms of the qualified financial contract, either does not create a walkaway clause

(iii) NOTICE.—For purposes of this paragraph, the Corporation, for which a conservator is appointed, shall be deemed to have notified a party who is a party to a qualified financial contract with an insured depository institution may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed)—

(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the conservator; or

(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

(iv) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed).

(v) NOTICE.—For purposes of this paragraph, the Corporation as receiver or conservator of an insured depository institution shall be deemed to have notified a party who is a party to a qualified financial contract with an insured depository institution may not exercise any right that such person has to terminate, liquidate, or net such contract under paragraph (8)(A) of this subsection or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a receiver for the depository institution (or the insolvency or financial condition of the depository institution for which the receiver has been appointed).
(2) by inserting after paragraph (10) the following new paragraph:

"(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which an insured depository institution is a party, the conservator or receiver for such institution shall either—

(A) disaffirm or repudiate all qualified financial contracts between—

(i) any person or any affiliate of such person; and

(ii) the depository institution in default;

(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person)."

SEC. 905. CLARIFYING AMENDMENT RELATING TO MASTER AGREEMENTS. Section 11(e)(8)(D)(vii) of the Federal Deposit Insurance Act of 1991 (12 U.S.C. 1821(e)(8)(D)(vii)) is amended to read as follows:

"(vii) TREATMENT OF MASTER AGREEMENT AS ONE AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any analogous agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.

SEC. 906. FEDERAL DEPOSIT INSURANCE CORPORA-


(1) in paragraph (2)—

(A) in subparagraph (A)(ii), by inserting before the semicolon ", or is exempt from such registration by order of the Securities and Exchange Commission"; and

(B) by inserting after subparagraph (A) the following new subparagraph:

"(B) an uninsured national bank or an uninsured Federal branch or agency shall be treated as an insured national bank or Federal branch or agency for purposes of this section;"

(c) by adding a new subsection (d) as follows:

"(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Foreign bank', 'Foreign branch of a foreign bank', 'Foreign agency', or 'foreign banking agency' have the same meanings in section 1(b) of the International Banking Act of 1978.";

SEC. 907. BANKRUPTCY CODE AMENDMENTS. (a) DEFINITIONS OF PRIORITY.—In promulgating regulations to implement this section, the Comptroller of the Currency shall ensure that the regulations generally are consistent with the requirements of the Bankruptcy Code adopted pursuant to the Federal Deposit Insurance Act of 1991.

"(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'foreign banking agency', or 'foreign banking agency' have the same meanings as in section 1(b) of the International Banking Act of 1978.";

SEC. 908. FEDERAL DEPOSIT INSURANCE CORPORA-


(1) in paragraph (2)—

(A) in subparagraph (A)(ii), by inserting before the semicolon ", or is exempt from such registration by order of the Securities and Exchange Commission"; and

(B) by inserting after subparagraph (A) the following new subparagraph:

"(B) an uninsured national bank or an uninsured Federal branch or agency shall be treated as an insured national bank or Federal branch or agency for purposes of this section;"

(c) by adding a new subsection (d) as follows:

"(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Foreign bank', 'Foreign branch of a foreign bank', 'Foreign agency', or 'foreign banking agency' have the same meanings in section 1(b) of the International Banking Act of 1978.";
follows:

(7) 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

(A) means—

(i) any agreement, including related terms, which provides for the transfer of one or more certificates of deposit, mortgage related securities (as defined in section 3 of the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or any other agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), or (F), but not to exceed the actual value of such contract on the date of the filing of the petition;)

(ii) any agreement, including related terms, which provides for the transfer of one or more agreements or transactions referred to in clause (i), (ii), (iii), or (iv), but not to exceed the actual value of such contract on the date of the filing of the petition; and

(B) by adding at the end the following:

(iii) an option to enter into an agreement or transaction referred to in clause (i), (ii), or (iii), together with all supplements to any such master agreement, without regard to whether such master agreement provides for an agreement or transaction that is not a repurchase agreement under this paragraph, except that the master agreement shall be considered to be a master agreement under this paragraph only with respect to any agreement or transaction under such master agreement that is referred to in clause (i), (ii), (iii), or (iv); or

(iv) any agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in clause (i) through (v), but not to exceed the actual value of such contract on the date of the filing of the petition; and

(B) is applicable for purposes of this title only, and shall not be construed or applied so as to challenge or affect the characteriza- tion, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.

(2) in section 741(7), by striking paragraph (7) and inserting the following:

(7) 'security contract—

(A) means—

(i) a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, a commercial mortgage loan, a customer margin loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including an interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option—

(ii) any option entered into on a national securities exchange relating to foreign currency—

(iii) the guarantee by or to any securities clearing agency of a settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, or mortgage loans or interests therein (including any interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option—

(iv) any margin loan—

(v) any other agreement or transaction that is similar to an agreement or transaction referred to in this subparagraph;

(vi) any combination of the agreements or transactions referred to in this subparagraph;

(vii) any security agreement or arrangement or other credit enhancement, related to any agreement or transaction referred to in this subparagraph, but not to exceed the actual value of such contract on the date of the filing of the petition; and

(B) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan.; and

(3) in section 101(4)—

(A) by adding at the end the following:

(4) 'FINANCIAL PARTICIPANT, AND FORWARD CON-
(1) by inserting after paragraph (22) the following:

"(22A) ‘Financial participant’ means an entity that, at the time it enters into a security contract or a forward contract, or at the time of the filing of the petition, has one or more agreements or transactions described in paragraph (1), (2), (3), (4), or (6) of section 561(a) with any debtor or any other entity (other than an affiliate) of a total gross dollar value of not less than $1,000,000,000 in notional or actual principal amount outstanding on any day during the previous 15-month period, or has gross mark-to-market positions of not less than $100,000,000 (aggregated across gross counterparty notional amounts) in one or more such agreements or transactions with the debtor or any other entity (other than an affiliate) on any day during the previous 15-month period;"; and

(2) by striking paragraph (26) and inserting the following:

"(26) ‘forward contract merchant’ means a Federal reserve bank, or an entity, the business of which consists in whole or in part of entering into forward contracts as or with merchants, dealers, or in a commodity, as defined in section 761 or any similar good, article, service, right, or interest which is presently in section 761 or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in forward contracts;"

(c) DEFINITION OF MASTER NETTING AGREEMENT AND MASTER NETTING AGREEMENT PARTICIPANT.—Title 11 United States Code, is amended by inserting after paragraph (38) the following new paragraphs:

"(38A) ‘master netting agreement’ means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with one or more contracts that are described in any one or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to one or more of the foregoing; and

"(B) if the agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any one or more of paragraphs (1) through (5) of section 561(a);"

"(38B) ‘master netting agreement participant’ means an entity that, at any time before or after the petition, is entitled to an outstanding master netting agreement with the debtor.”;

(d) SWAP AGREEMENTS, SECURITIES CONTRACTS, COMMUNITY CONTRACTS, FORWARD CONTRACTS, REPURCHASE AGREEMENTS, AND MASTER NETTING AGREEMENTS UNDER THE AIRCRAFT-PATENT-STOCK.—

(1) IN GENERAL.—Section 362(b) of title 11 United States Code, as amended by this Act, is amended—

(A) by inserting paragraph (6), by inserting ‘‘, pledged to, and under the control of,’’ after ‘‘held by;’’;

(B) in paragraph (7), by inserting ‘‘, pledged to, and under the control of,’’ after ‘‘held by;’’;

(C) by striking paragraph (17) and inserting the following:

‘‘(17) under subsection (a), of the setoff by a swap participant of a mutual debt and claim under or in connection with one or more swap agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with any swap agreement against any payment due to the swap participant under or in connection with any swap agreement or against cash, securities, or other property held by, pledged to, and under the control of, or due from such swap participant to margin, guarantee, secure, or settle any swap agreement;’’; and

(D) by inserting after paragraph (27), as added by this Act, the following new paragraph:

‘‘(28) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim under or in connection with one or more master netting agreements or any contract or agreement subject to net settlement, that is otherwise not deemed to have taken) such transfer for value.’’;

(g) TERMINATION OR ACCELERATION OF SECURITIES CONTRACTS.—Section 555 of title 11 United States Code, is amended—

(1) by amending the section heading to read as follows:

"§ 555. Contractual right to liquidate, terminate, or accelerate securities contracts;"

(2) in the first sentence, by striking ‘‘liquidation’’ and inserting ‘‘liquidation, termination, or acceleration’’;

(h) TERMINATION OR ACCELERATION OF COMMODITIES OR FORWARD CONTRACTS.—Section 559 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

"§ 559. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract;"

(2) in the first sentence, by striking ‘‘liquidation and inserting ‘‘liquidation, termination, or acceleration’’;

(i) TERMINATION OR ACCELERATION OF REPURCHASE AGREEMENTS.—Section 560 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

"§ 560. Contractual right to liquidate, terminate, or accelerate a repurchase agreement;"

(2) in the first sentence, by striking ‘‘in connection with any swap agreement’’ and inserting ‘‘in connection with the termination, liquidation, or acceleration of one or more swap agreements’’;

(3) by striking ‘‘in connection with any swap agreement’’ and inserting ‘‘in connection with the termination, liquidation, or acceleration of one or more swap agreements’’;

(j) LIQUIDATION, TERMINATION, OR ACCELERATION OF SWAP AGREEMENTS.—Section 569 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

"§ 569. Contractual right to liquidate, terminate, or accelerate a swap agreement;"

(2) in the first sentence, by striking ‘‘in connection with any swap agreement’’ and inserting ‘‘in connection with the termination, liquidation, or acceleration of one or more swap agreements’’;

(3) by striking ‘‘in connection with any swap agreement’’ and inserting ‘‘in connection with the termination, liquidation, or acceleration of one or more swap agreements’’;

(k) LIQUIDATION, TERMINATION, OR ACCELERATION OF RE Patent-STOCK,—

Section 761(4). Contractual right to liquidate, terminate, or accelerate a swap agreement

(1) IN GENERAL.—Title 11 United States Code, as amended by inserting after section 761 the following:

"§ 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts:

(a) IN GENERAL.—Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset net termination values, payment amounts, or other transfer obligations arising under or in connection with a master netting agreement or the termination, liquidation, or acceleration of one or more—

(1) securities contracts, as defined in section 741(7),

(2) commodity contracts, as defined in section 761(4),

(3) forward contracts;

(4) repurchase agreements;

(5) swap agreements; or

(6) master netting agreements, shall not be stayed, avoided, or otherwise nullified or prevented from being exercised by or under any order of a court or administrative agency in any proceeding under this title.

(b) EXCEPTION.—

(1) IN GENERAL.—A party may exercise a contractual right described in subsection (a)
to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 556, 556, 559, or 560 for each individual contract covered by the master netting agreement.

"(2) COMMODITY BROKERS.—If a debtor is a commodity broker subject to subchapter IV of chapter 7—

(A) a party may not net or offset an obligation of the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (A) except to the extent that the party has positive net equity in the commodity accounts at the debtor, as calculated under that subchapter IV; and

(B) any other netting agreement between a clearing organization, as defined in section 761, and another entity that has been approved by the Commodity Futures Trading Commission.

"(c) DEFINITION.—As used in this section, the term ‘contractual right’ includes a right set forth in a bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice.

"(d) CASES ANCILLARY TO FOREIGN PROCEEDINGS.—Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case under chapter 13 of title 11 of this title to the extent that such enforcement of contractual provisions of such contracts and agreements in accordance with their terms will not be stayed or otherwise limited by operation of any provision of this title or by order of a court in any case under this title, and to limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11 of this title (such enforcement not to be limited based on the presence or absence of assets in the United States).

(2) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 560 the following:

"561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts.

(1) COMMODITY BROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 766 the following:

"§ 767. Commodity broker liquidation and forward contract merchant, commodity broker, stockbroker, financial institutions, financial participant, securities clearing agency, swap participant, repo participant, and master netting agreement participant.

"Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, financial participant, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''

(2) in the table of sections for chapter 7—

(A) by inserting after the item relating to section 766 the following:

"§ 767. Commodity broker liquidation and forward contract merchant, commodity broker, stockbroker, financial institutions, financial participant, securities clearing agency, swap participant, repo participant, and master netting agreement participant.

"Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, financial participant, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''

(B) by inserting after the item relating to section 752 the following:

"§ 753. Stockbroker liquidation and forward contract merchant, commodity broker, stockbroker, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.

"Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant pursuant to this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''

(2) in subsection (b)(1), by striking "362(b)(14)," and inserting "362(b)(14)," and "362(b)(17)," and "362(b)(28)," and "555, 556, 559, 560, or 561 of this title".

"(o) SECURITIES CONTRACTS, COMMODITY CONTRACTS, AND FORWARD CONTRACTS.—Title 11, United States Code, is amended—

(1) in section 362(b)(6), by striking "financial institution, financial participant," and inserting "financial institution, financial participant,”

(2) in section 546(e), by inserting "financial participant,” financial institution,”

(3) in section 548(d)(2)(B), by inserting "financial participant,” after "financial institution,”

(4) in section 555—

(A) by inserting "financial participant," after "financial institution,”; and

(B) by inserting before the period at the end "a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice”,

and

(5) in section 556, by inserting "financial participant,” after "financial institution,”.

(p) CONFORMING AMENDMENTS.—Title 11, United States Code, is amended—

(1) in the table of sections for chapter 5—

(A) by inserting the items relating to sections 555 and 556 to read as follows:

"555. Contractual right to liquidate, terminate, or accelerate a securities contract.

"556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract.";

and

(B) by amending the items relating to sections 559 and 560 to read as follows:

"559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement.

560. Contractual right to liquidate, terminate, or accelerate a swap agreement.”;

and

(2) in the table of sections for chapter 7—

(A) by inserting after the item relating to section 766 the following:

"767. Commodity broker liquidation and forward contract merchant, commodity broker, stockbroker, financial institutions, financial participant, securities clearing agency, swap participant, repo participant, and master netting agreement participant.

"Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, financial participant, securities clearing agency, swap participant, repo participant, or master netting agreement participant pursuant to this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.’’;

(B) by inserting after the item relating to section 752 the following:

"753. Stockbroker liquidation and forward contract merchant, commodity broker, stockbroker, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.”;

SEC. 908. RECORDKEEPING REQUIREMENTS.

Section 11(a)(b) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(b)) is amended by adding at the end the following new subparagraph:

"(H) RECORDKEEPING REQUIREMENTS.—The Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to covered financial instruments (including market valuations) by insured depository institutions.”.

SEC. 909. EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.

Section 11(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(2)) is amended to read as follows:

"(2) EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.—An agreement to provide for the collateralization of—

(A) deposits of, or other credit extension by, a Federal, State, or local governmental entity, or of any deposit insured by the Federal Deposit Insurance Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to covered financial contracts (including market valuations) by insured depository institutions.”.

SEC. 910. DAMAGE MEASURE

(a) IN GENERAL.—Title 11, United States Code, is amended—

(1) by inserting after section 561, as added by this Act, the following:

"§ 562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements.

"If the trustee rejects a swap agreement, securities contract (as defined in section 741), forward contract, commodity contract (as defined in section 761), repurchase agreement, or master netting agreement pursuant to section 365(a), or if a forward contract
 TITLE X—PROTECTION OF FAMILY FARMERS

SEC. 1001. PERMANENT REENACTMENT OF CHAP- TER 12.

(a) REENACTMENT.—

(1) IN GENERAL.—Chapter 12 of title 11, United States Code, as reenacted by section 190 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277), is hereby reenacted, and as here reenacted is amended by this Act.

(2) EFFECTIVE DATE.—Subsection (a) shall take effect on July 1, 2000.

(b) CONFORMING AMENDMENT.—Section 302 of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1994 (28 U.S.C. 1571 note) is amended by striking subsection (f).

SEC. 1002. DEBT LIMIT INCREASE.

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

“(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2004.”

SEC. 1003. CERTAIN CLAIMS OWED TO GOVERN- MENTAL UNITS.

(a) CONTENTS OF PLAN.—Section 1222(a)(2) of title 11, United States Code, is amended to read as follows:

“(2) provide for the full payment, in de- fered cash payments, of all claims entitled to priority under section 507, unless—

(A) the claim is a claim owed to a govern- mental unit that arises as a result of the sale, transfer, exchange, or other disposition of any farm asset used in the debtor’s farm- ing operation, in which case the claim shall be treated as an unsecured claim; or

(B) the holder of a particular claim agrees to a different treatment of that claim;”;

(b) SPECIAL NOTICE PROVISIONS.—Section 1221(b) of title 11, United States Code, as so designated by this Act is amended by striking “a State or local governmental unit” and inserting “any governmental unit”.

TITLE XI—HEALTH CARE AND EMPLOYEE BENEFITS

SEC. 1101. DEFINITIONS.

(a) HEALTH CARE BUSINESS DEFINED.—Section 101 of title 11, United States Code, is amended—

(1) by redesignating paragraph (27A), as added by this Act, as paragraph (27B); and

(2) by inserting after paragraph (27) the fol- lowing:

“(27A) ‘health care business’—

(A) means any public or private entity (without regard to whether that entity is orga- nized for profit or not for profit) that is primarily engaged in providing to the general public facilities and services for—

(i) the diagnosis or treatment of injury, deformity, or disease; and

(ii) surgical, drug treatment, psychiatric, or obstetric care; and

(B) includes—

(i) any—

(A) general or specialized hospital;

(B) ancillary ambulatory, emergency, or surgical treatment facility;

(C) hospice;

(D) home health agency; and

(E) other health care institution that is similar to an entity referred to in subsection (I), (II), (III), or (IV); and

(ii) any long-term care facility, including any—

(A) skilled nursing facility;
SEC. 1102. DISPOSAL OF PATIENT RECORDS.

(a) IN GENERAL.—Subchapter II of chapter 11, United States Code, is amended by inserting after section 365(b) of title 11, United States Code,

"SEC. 365. DISPOSAL OF PATIENT RECORDS.

(1) A patient record shall be defined as follows:"

(b) PATIENT AND PATIENT RECORDS DEFINED.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (40) the following:

"40A. ‘patient’ means any person who obtains services from a health care business;"

"40B. ‘patient records’ means any written document relating to a patient or a record recorded in a magnetic, optical, or other form of electronic medium;"

(c) RULE OF CONSTRUCTION.—The amendments made by subsection (a) of this section shall not affect the interpretation of section 109(b) of title 11, United States Code.

SEC. 1102. DISPOSAL OF PATIENT RECORDS.

(a) IN GENERAL.—Subchapter II of chapter 11, United States Code, is amended by adding at the end the following:

"SEC. 351. PATIENT RECORDS.

(1) If a health care business commences a case under chapter 7, 9, or 11, the trustee does not have a sufficient amount of funds to pay for the storage of patient records in the manner required under applicable Federal or State law, the following requirements shall apply:

(1)(A) The trustee shall promptly publish notice, in 1 or more appropriate newspapers, that if patient records are not claimed by the patient or an insurance provider (if applicable law permits the insurance provider to make the claim) by the date that is 90 days after the date of such notification, the trustee will destroy the patient records; and

(1)(B) During the first 90 days of the 365-day period described in subparagraph (A), promptly attempt to notify directly each patient that is the subject of the patient records or the appropriate insurance carrier concerning the patient records by mailing to the last known address of that patient, or a family member or contact person for that patient, appropriate insurance carrier appropriate notice regarding the claiming or disposing of patient records.

(2) If, after providing the notification under subparagraph (1), patient records are not claimed during the 365-day period described under that paragraph, the trustee shall mail, by certified mail, at the end of such 365-day period a written request to each appropriate Federal agency to request permission from that agency to deposit the patient records with that agency, except that no Federal agency may receive such records without the written consent of the trustee.

(3) If, following the 365-day period described in paragraph (2) and after providing the notification under paragraph (1), patient records are not claimed by a patient or insurance provider, or request is not granted by a Federal agency to deposit such records with that agency, the trustee shall destroy those records by—

(A) if the records are written, shredding or burning the records; or

(B) if the records are magnetic, optical, or other electronic records, by otherwise destroying those records so that those records cannot be retrieved.

(b) TABLE OF SECTIONS.—The table of sections for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 330 the following:

"351. Disposal of patient records."

SEC. 1103. ADMINISTRATIVE EXPENSE CLAIM FOR COST OF TRANSFER TO HEALTH CARE BUSINESS AND OTHER ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—Section 503(b) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

"(8) The actual, necessary costs and expenses of closing the business in—

(A) in the process of being closed; and

(9) with respect to a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due, excluding those arising from or related to a failure to operate or penalty provisions, for the period of 2 years following the later of the rejection or the actual turnover of the premises, without reduction or setoff for any reason whatsoever except for sums actually received or to be received from a nontenant at the time of the lease, in computing any due for the balance of the term of the lease shall be a claim under section 502(b)(6) and—"

SEC. 1104. APPOINTMENT OF OMBUDSMAN TO ACT AS PATIENT ADVOCATE.

(a) IN GENERAL.—

(1) APPPOINTMENT OF OMBUDSMAN.—Subchapter II of chapter 11, United States Code, is amended by inserting after section 331 the following:

"332. Appointment of ombudsman.

(a) In General.—

(1) If the ombudsman determines that the determination.

(2) QLIFICATIONS.—If the court orders the appointment of an ombudsman to monitor the quality of patient care to represent the interests of the patients of the health care business, unless the court finds that the appointment of the ombudsman is necessary for the protection of patients under the specific facts of the case.

(3) QUALIFICATIONS.—If the court orders the appointment of an ombudsman, the United States trustee shall appoint 1 disinterested person, other than the United States trustee, to serve as an ombudsman, including a person who is serving as a State Long-Term Care Ombudsman appointed under title III or VII of the Older Americans Act of 1965 (42 U.S.C. 3021 et seq., 3058 et seq.).

(b) DUTIES.—An ombudsman appointed under subsection (a) shall—

(1) monitor the quality of patient care, to the extent provided under the circumstances, including interviewing patients and physicians;

(2) not less than 60 days after the date of appointment, and not less frequently than every 60 days thereafter, report to the court, at a hearing or in writing, regarding the quality of patient care at the health care business involved; and

(3) if the ombudsman determines that the quality of patient care is declining significantly or otherwise being materially compromised, notify the court by motion or written report, with notice to appropriate parties in interest, immediately upon making that determination.

(c) CONFIDENTIALITY.—An ombudsman shall maintain any information obtained by the ombudsman under this section that relates to patients (including information relating to patient records) as confidential information. The ombudsman may not review patient names, but the Federal and State ombudsman will provide prior approval, with restrictions on the ombudsman to protect the confidentiality of patient records.

SEC. 1105. DEBTOR IN POSSESSION; DUTY OF TRUSTEE TO TRANSFER PATIENTS.

(a) IN GENERAL.—Section 704(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

"(2) if the ombudsman determines that the determination.

(3) QUALIFICATIONS.—If the court orders the appointment of an ombudsman to monitor the quality of patient care to represent the interests of the patients of the health care business, unless the court finds that the appointment of the ombudsman is necessary for the protection of patients under the specific facts of the case.

(b) COMPENSATION OF OMBUDSMAN.—Section 503(b) of title 11, United States Code, is amended by striking paragraphs (23) and (35).

(c) CLEICAL AMENDMENT.—The table of sections for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 331 the following:

"332. Appointment of ombudsman."

Title II—Technical Amendments

SEC. 1201. DEFINITIONS.

Section 101 of title 11, United States Code, as amended by this Act, is amended—

(1) by striking “In this title”— and inserting “In this title the following definitions shall apply:”;

(2) in each paragraph, by inserting “The term” after the paragraph designation; and

(3) in paragraph (35), by striking “paragraphs (21B) and (33A)” and inserting “paragraphs (23) and (35)”;

(4) in each of paragraphs (35A), (35B), and (35C), by striking “and” at the end and inserting a period;

(5) in paragraph (51B)—

(A) by striking “who is a family farmer” after “depositor” the first place it appears; and

(B) by striking “and all that follows through the end of the paragraph”.

(6) by striking paragraph (54) and inserting the following:
“(54) The term ‘transfer’ means—
(A) the creation of a lien; 
(B) the retention of title as a security interest; 
(C) the foreclosure of a debtor’s equity of redemption; or 
(D) each mode, direct or indirect, absolute or conditional, voluntary or involuntary, of parting with—
(i) property; or
(ii) an interest in property;” and
(7) in each of paragraphs (1) through (35), in each of paragraphs (36) and (37), and in each of paragraphs (40) through (55), by striking the semicolon at the end and inserting a period.

SEC. 1202. ADJUSTMENT OF DOLLAR AMOUNTS.
Section 101(15)(A) of title 11, United States Code, as amended by section 322 of this Act, is amended by inserting “$522(f)(3),” after “$922.”

SEC. 1203. EXTENSION OF TIME.
Section 108(c)(2) of title 11, United States Code, as amended by striking “922” and all that follows through “or,” and inserting “922, 1201, or “

SEC. 1204. TECHNICAL AMENDMENTS.
Title 11, United States Code, is amended—
(1) in subsection (d)(1), by striking “subsection (a)(14);” and
(2) in subsection (d)(1), by striking “each place it appears and inserting “products “

SEC. 1205. PENALTY FOR PERSONS WHO NEGLECT OR FRAUDULENTLY PREPARE OR FILE BANKRUPTCY PETITIONS.
Section 110(h)(4) of title 11, United States Code, as so designated by this Act, is amended by striking “attorney’s” and inserting “attorneys “

SEC. 1206. LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.
Section 325 of title 11, United States Code, is amended by inserting “on a fixed or percentage fee basis,” after “hourly basis,”.

SEC. 1207. EFFECT OF CONVERSION.
Section 362(c)(1) of title 11, United States Code, is amended by inserting “of the estate” after “property” the first place it appears.

SEC. 1208. ALLOWANCE OF ADMINISTRATIVE EXPENSES.
Section 503(b)(4) of title 11, United States Code, is amended by inserting “subsection (A), (B), (C), (D), or (E)” or before “paragraph (3)”.

SEC. 1209. EXCEPTIONS TO DISCHARGE.
Section 523 of title 11, United States Code, as amended by this Act, is amended—
(1) by striking paragraph (15), as added by section 309(e) of Public Law 103–394 (108 Stat. 4133), so as to insert such paragraph after subsection (a)(14); and
(2) in subsection (a)(9), by striking “motor vehicle” and inserting “motor vehicle, vessel, or aircraft;” and
(3) in subsection (e), by striking “a, inserted” and inserting “an inserted “

SEC. 1210. EFFECT OF DISCHARGE.
Section 524(a)(8) of title 11, United States Code, as so designated by this Act, is amended by inserting “section 523” and all that follows through “or” and inserting “section 523, 1228(a)(1), or 1325a(1), or that “.

SEC. 1211. PROTECTION AGAINST DISCRIMINATORY TREATMENT.
Section 525(c) of title 11, United States Code, is amended—
(1) in paragraph (1), by inserting “student” before “grant” the second place it appears; and
(2) in paragraph (2), by striking “the program operated under part B, D, or E of” and inserting “any program operated under “

SEC. 1212. PROPERTY OF THE ESTATE.
Section 541 of title 11, United States Code, is amended by inserting “365” or before “542”.

SEC. 1213. PREFERENCES.
(a) IN GENERAL.—Section 547 of title 11, United States Code, as amended by this Act, is amended—
(1) in subsection (b), by striking “subsection (c)” and inserting “subsections (c) and (i);” and
(2) by adding at the end the following:
“(i) If the trustee avoids under subsection (b) a transfer made between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is not an insider, such transfer shall be considered to be avoided under this section only with respect to—
(1) the creditor that is an insider; or
(2) the entity that is not an insider to which the transfer was made.

(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:
“(6) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation, partnership, or trust that is not a moneyed, business, or commercial corporation or trust.”

(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:
“(7) Notwithstanding any other provision of this title, property that is not an entity that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title “

(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, or filed under that title on or after that date of enactment, except that the court shall not confirm a plan under chapter 11 of title 11, United States Code, without considering whether this section would substantially affect the rights of a party in interest who first acquired rights under this section on or after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the court to which a case under chapter 11 of title 11, United States Code, is pending to remand or refer any proceeding, issue, or controversy to any other court or to require the approval of any other court for the transfer of property.

SEC. 1223. PROTECTION OF VALID PURCHASE MONEY SECURITY INTERESTS.
Section 547(c)(3)(B) of title 11, United States Code, is amended by striking “20” and inserting “30”.

SEC. 1224. BANKRUPTCY JUDGESHIPS.
(a) SHORT TITLE.—This section may be cited as the “Bankruptcy Judgeship Act of 2001.”

(b) TEMPORARY JUDGESHIPS.—This section may be cited as the “Bankruptcy Judgeship Act of 2001.”

(c)(1) APPOINTMENTS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:
(A) One additional bankruptcy judgeship for the eastern district of California.
(B) Four additional bankruptcy judgeships for the central district of California.
(C) One additional bankruptcy judgeship for the district of Delaware.
(D) Two additional bankruptcy judgeships for the southern district of Florida.
(E) One additional bankruptcy judgeship for the northern district of Georgia.
(F) Two additional bankruptcy judgeships for the district of Maryland.
(G) One additional bankruptcy judgeship for the central district of New Jersey.
(H) One additional bankruptcy judgeship for the southern district of Mississippi.
(I) One additional bankruptcy judgeship for the district of New Mexico.
(J) One additional bankruptcy judgeship for the eastern district of New York.
(K) One additional bankruptcy judgeship for the northern district of Ohio.
(L) One additional bankruptcy judgeship for the southern district of Ohio.

(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:
“(6) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation, partnership, or trust that is not a moneyed, business, or commercial corporation or trust.”

(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:
“(7) Notwithstanding any other provision of this title, property that is not an entity that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title “

(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, or filed under that title on or after that date of enactment, except that the court shall not confirm a plan under chapter 11 of title 11, United States Code, without considering whether this section would substantially affect the rights of a party in interest who first acquired rights under this section on or after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the court to which a case under chapter 11 of title 11, United States Code, is pending to remand or refer any proceeding, issue, or controversy to any other court or to require the approval of any other court for the transfer of property.

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(A) One additional bankruptcy judgeship for the eastern district of California.
(B) Four additional bankruptcy judgeships for the central district of California.
(C) One additional bankruptcy judgeship for the district of Delaware.
(D) Two additional bankruptcy judgeships for the southern district of Florida.
(E) One additional bankruptcy judgeship for the northern district of Georgia.
(F) Two additional bankruptcy judgeships for the district of Maryland.
(G) One additional bankruptcy judgeship for the central district of New Jersey.
(H) One additional bankruptcy judgeship for the southern district of Mississippi.
(I) One additional bankruptcy judgeship for the district of New Mexico.
(J) One additional bankruptcy judgeship for the eastern district of New York.
(K) One additional bankruptcy judgeship for the northern district of Ohio.
(L) One additional bankruptcy judgeship for the southern district of Ohio.
SEC. 1226. AMENDMENT TO SECTION 362 OF TITLE 11, UNITED STATES CODE—

Section 362(b)(18) of title 11, United States Code, is amended to read as follows:

"(B) not later than 20 days after the date of the filing of the petition;"

SEC. 1227. JUDICIAL EDUCATION.

The Director of the Federal Judicial Center, in consultation with the Director of the Executive Office for United States Trustees, shall develop materials and conduct such training as may be useful to courts in implementing this Act and the amendments made by this Act, including the requirements relating to the means test and reaffirmations under section 707(b)(1) of title 11, United States Code, as amended by this Act.

SEC. 1228. RECLAMATION.

(a) RIGHTS AND POWERS OF THE TRUSTEE—

Section 546(e) of title 11, United States Code, is amended by inserting "the court may, upon notice and hearing and after a determination by the court that the abandonment of the secured creditor under section 544(a), 545, 547, and 549 is not in the interests of the estate or the creditors, order the secured creditor to surrender the security or to deliver to the debtor the property and to perform such other acts as may be necessary to comply with the order." before "The court shall order the secured creditor to surrender the security or to deliver to the debtor the property and to perform such other acts as may be necessary to comply with the order."

(b) ADMINISTRATIVE EXPENSES—

Section 503(b) of title 11, United States Code, as amended by this Act, is amended by adding at the end the following:

"(b) The allowance of value of any goods received by the debtor not later than 20 days after the date of commencement of a case under this title in which the goods have been sold to the debtor for or on account of the ordinary course of such debtor's business..."

SEC. 1229. PROVIDING REQUESTED TAX DOCUMENTS TO THE COURT.

(a) CHAPTER 7 CASES—

The court shall not grant a discharge in the case of an individual seeking bankruptcy under chapter 7 of title 11, United States Code, unless requested tax documents have been provided to the court.

(b) CHAPTER 11 AND CHAPTER 13 CASES—

The court shall not confirm a plan of reorganization in the case of an individual under chapter 11 or 13 of title 11, United States Code, unless requested tax documents have been filed with the court.

(c) DOCUMENT RETENTION—

The court shall destroy documents submitted in support of a bankruptcy claim not sooner than 3 years after the date of the conclusion of a bankruptcy case filed by an individual under chapter 7, 11, or 13 of title 11, United States Code. In the event of a pending audit or enforcement action, the court may extend the time for destruction of such requested tax documents.

SEC. 1230. ENCOURAGING CREDITORWORTHINESS.

(a) SENSE OF THE CONGRESS—

It is the sense of the Congress that—

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED—

The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the "Board") shall conduct a study of—

(1) the effect of consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately; and

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(2) the effects of such practices on consumer insolvency.

(c) REPORT AND REGULATIONS—

Not later than 18 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

SEC. 1231. PROPERTY NO LONGER SUBJECT TO REDEMPTION.

Section 541(a) of title 11, United States Code, is amended by inserting after paragraph (8), as added by this Act, the following:

"(b) For a term of 6 months after the date of the filing of the petition, the court may order the secured creditor to permit the debtor to repossess the property or to deliver to the debtor the property and to perform such other acts as may be necessary to comply with the order."

SEC. 1232. COMPENSATING TRUSTEES.

Section 326 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "and"; and

(B) in paragraph (2), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(3) if a chapter 7 trustee has been allowed compensation due to the conversion or dismissal of the debtor's prior case pursuant to section 503 of this title or any other reason such that compensation, which shall be paid monthly—

"(A) by prorating such amount over the remaining duration of the plan; and

"(B) by prorating payments not to exceed the greater of—

"(1) $25; or

"(ii) the amount payable to unsecured non-priority creditors, as provided by the plan, multiplied by 5 percent, and the result divided by the number of months in the plan;"

and

(2) by adding at the end the following:

"(d) Notwithstanding any other provision of this title—

"(i) compensation referred to in subsection (b)(3) is payable and may be collected by the trustee under that paragraph, even if such amount has been discharged in a prior proceeding under this title; and

"(ii) such compensation may be payable in a case under this chapter only to the extent permitted by subsection (b)(5)."

SEC. 1233. ADEQUATE AND MEANINGFUL NOTICE.

(a) REQUIREMENT—

Each notice required under this chapter, the amount of any such unpaid compensation, interest on such compensation, and any other amounts due to the trustee under this chapter, the amount of any such unpaid compensation, interest on such compensation, and any other amounts due to the trustee under this chapter, shall—

(1) be in writing;

(2) be in a form which is caused to be received by each person to whom such notice is required to be given; and

(3) contain—

(A) a description of the property to which such notice relates; and

(B) a statement of the amount of such compensation, interest, or other amount due to the trustee under this chapter.

(b) EFFECTIVE DATES.

(A) in the collective item relating to the middle district of Pennsylvania:

"(2) The temporary bankruptcy judgeship position authorized under section 1326 of title 11, United States Code, with respect to the middle district of Pennsylvania is significantly increased by 8 years or more after November 8, 1993, and

(B) in the collective item relating to the middle district of Delaware:

"(2) The temporary bankruptcy judgeship position authorized under section 1326 of title 11, United States Code, with respect to the middle district of Delaware is increased by 8 years or more after November 8, 1993, and

(c) TECHNICAL AMENDMENTS.

Each amendment made by this title to title 11, United States Code, which adds or inserts the words "in this section referred to as the "Board"), shall—

(1) be accomplished by inserting the words "in this Act" after each reference to the Board referred to in such amendment; and

(2) be accomplished by inserting the words "in this Act" after each reference to the Board referred to in such amendment.
“(A) the tangible personal property is in the possession of the pledgee or transferee;

“(B) the debtor has no obligation to repay the money, redeem the collateral, or buy back the property, unless the debtor stipulates to the contrary;

“(C) neither the debtor nor the trustee have exercised any right to redeem provided under the contract or State law, in a timely manner provided under State law and section 108(b) of this title; or

SEC. 1232. TRUSTEES.

(a) SUSPENSION AND TERMINATION OF PANEL TRUSTEES AND STANDING TRUSTEES.—Section 586(d) of title 28, United States Code, is amended by adding—

(1) by inserting “(i)” after “(d)”; and

(2) at the end of the section—

“(2) A trustee whose appointment under subsection (a)(1) or under subsection (b) is terminated or who ceases to be assigned to cases filed under title 11, United States Code, may obtain judicial review of the final agency decision by commencing an action in the United States district court for the district in which the trustee is appointed under subsection (a)(1), or in the United States district court for the district in which the trustee is appointed under subsection (b) after first exhausting all available administrative remedies, which if the trustee so elects, shall also include an administrative hearing on the record. Unless the trustee requests an administrative hearing on the record, the trustee shall be deemed to have exhausted all administrative remedies for purposes of this paragraph if the agency fails to make a final agency decision within 90 days after the trustee requests administrative remedies. The Attorney General shall prescribe procedures to implement this subsection within 90 days after the effective date of this title.

(b) EXPENSES OF STANDING TRUSTEES.—Section 586(e) of title 28, United States Code, is amended by adding, at the end of the following:

“(6) After first exhausting all available administrative remedies, an individual appointed under subsection (b) may obtain judicial review of the final agency decision by commencing an action in the United States district court in the district where the individual resides. The decision of the agency shall be affirmed by the district court unless it is unreasonable and without cause based on the administrative record before the agency.

“(7) The Attorney General shall prescribe procedures to implement this subsection.”.

SEC. 1233. BANKRUPTCY FORMS.

Section 2017 of title 28, United States Code, is amended by adding, at the end of the following:

“‘The bankruptcy forms promulgated under this title shall prescribe a form for the statement of the information required under section 1503(2) of title 11 and may provide general rules on the content of such statement.”.

SEC. 1234. EXPEDITED APPEALS OF BANKRUPTCY CASES TO COURTS OF APPEALS.

(a) IN GENERAL.—Section 158 of title 28, United States Code, is amended—

(1) by striking subsection (d) and inserting the following:

“(1) In the case of an open end credit plan that requires a minimum monthly payment of more than 4 percent of the balance on which finance charges are accruing, the following statement, in a prominent location on the front of the billing statement, disclosed clearly and conspicuously: ‘Minimum Payment Warning: Making only the required minimum payment will increase the interest you pay and the time it takes to repay your balance. Making a typical 5% minimum payment on a balance of $300 at an interest rate of 17% would take 24 months to repay the balance in full. For an estimate of the time it would take to repay your balance, making only minimum monthly payments, call this toll-free number:’ (the blank space to be filled in by the creditor).”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 305(c) of title 11, United States Code, is amended by striking “section 158(b)” and inserting “subsection (e) or (f) of section 158”.

(2) Section 1334(d) of title 28, United States Code, is amended by striking “section 158(b)” and inserting “subsection (e) or (f) of section 158”.

(3) Section 1452(b) of title 28, United States Code, is amended by striking “section 158(b)” and inserting “subsection (e) or (f) of section 158”.

SEC. 1235. EXEMPTIONS.

Section 522(g)(2) of title 11, United States Code, is amended by adding, at the end of the following:

“(C) The Board shall, by rule, periodically reevaluate, as necessary, the interest rate and repayment period under subparagraphs (A), (B), and (C).

“(D) The toll-free telephone number described in subparagraph (B) may be a toll-free telephone number established and maintained by the Federal Trade Commission as appropriate, or may be a toll-free telephone number established and maintained by a creditor or the Federal Trade Commission as appropriate, or may be a toll-free telephone number established and maintained by a third party for use by the creditors or the Federal Trade Commission, as appropriate. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain the information described in subparagraph (A), (B), or (C), by inputting information using a touch-tone telephone or similar device. If consumers are billed for toll-free calls to such automated device, the costs of such automated device are provided the opportunity to be connected to an individual from whom the information described in subparagraph (A), (B), or (C) may be obtained. A person that receives a request for information described in subparagraph (A), (B), or (C) from an obligor through the toll-free telephone number or any toll-free number under subparagraph (A), (B), or (C), as applicable, shall disclose in response to such request only the information set forth in the table below, as determinable by the Board under subparagraph (H)(i).

“(H)(i) The Board shall establish and maintain for a period not to exceed 24 months following the effective date, a toll-free telephone number, or
provide a toll-free telephone number established and maintained by a third party, for use by creditors that are depository institutions (as defined in section 5 of the Federal Deposit Insurance Act), including a national credit union or State credit union (as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)), with total assets not exceeding $250,000,000, or a State or a Federal credit union or State credit union (as defined in section 3 of the Federal Deposit Insurance Act), with total assets not exceeding $250,000,000. The toll-free telephone number may connect consumers to an automated device through which consumers may obtain information described in subparagraph (A) or (B), as applicable, shall disclose in response to such request only the information set forth in the table promulgated by the Board under subparagraph (1). The dollar amount contained in this subclause shall be adjusted according to an indexing mechanism established by the Board.

"(H) The Board shall—

(i) establish a detailed table illustrating the approximate number of months that it will take to repay an outstanding balance shall include the following statement on each billing statement: ‘Making only the minimum payment will increase the interest you pay and the time it takes to repay your debt. Your payments may be more informative if you call this toll-free number: ___’ (the blank space to be filled in by the creditor)."

(b) REGULATIONS—

(1) IN GENERAL.—The Board of Governors of the Federal Reserve System (hereinafter in this title referred to as the “Board”) shall promulgate regulations implementing the requirements of section 127(b)(11) of the Truth in Lending Act, as added by subsection (a) of this section.

(2) EFFECTIVE DATE—Regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

(A) 18 months after the date of enactment of this Act; or

(B) 12 months after the publication of such final regulations by the Board.

(c) STUDY OF FINANCIAL DISCLOSURES.—

(1) IN GENERAL.—The Board may conduct a study to determine the types of information available to potential borrowers from consumer credit lending institutions regarding factors that qualify borrowers for credit, repayment requirements, and the consequences of default.

(2) FACTORS FOR CONSIDERATION.—In conducting a study under paragraph (1), the Board should, in consultation with the other Federal banking agencies (as defined in section 3 of the Federal Deposit Insurance Act), the National Credit Union Administration, and the Federal Trade Commission, consider the extent to which—

(A) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;

(B) minimum periodic payment features offered in connection with open end credit plans impact consumer default rates;

(C) consumers make only the required minimum payment under open end credit plans;

(D) consumers are aware that making only required minimum payments will increase the cost and extend the period of an open end credit obligation; and

(E) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.

(3) REPORT TO CONGRESS.—Findings of the Board in connection with any study conducted under this subsection shall be submitted to Congress. Such report shall also include recommendations for legislative initiatives, if any, of the Board, based on its findings.

SEC. 1302. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.

(a) OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1671a(a)(13)) is amended—

(A) in paragraph (a)(13) of the Truth in Lending Act (15 U.S.C. 1671a(a)(13)) is amended—

(B) by adding at the end the following:

(a) INTRODUCTORY RATE DISCLOSURES.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1671c(c)) is amended—

(A) INTRODUCTORY RATE DISCLOSURES.—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1671c(c)) is amended—

(A) by striking “and” and inserting the following: ‘‘(A) the’’; and

(B) by striking the period at the end and inserting the following: ‘‘; and

(B) by striking the period at the end and inserting the following: ‘‘; and

(B) in any case in which the extension of credit is secured by a primary residence, to the extent to which the interest rate applicable to the primary residence extends"
U.S.C. 1637(c)) is amended by adding at the end the following:

“(6) ADDITIONAL NOTICE CONCERNING ‘INTRODUCTORY RATES’—

“(A) IN GENERAL.—Except as provided in subparagraph (B), an application or solicitation to open a credit card account and all promotional materials accompanying such application or solicitation for which a disclosure is required under paragraph (1) and that offers a temporary annual percentage rate of interest, shall—

“(i) use the term ‘introductory’ in immediate proximity to each listing of the temporary annual percentage rate applicable to such account, which term shall appear clearly and conspicuously;

“(ii) if the annual percentage rate of interest that will apply after the end of the temporary period will be a fixed rate, state in a clear and conspicuous manner in a prominent location close proximity to the first listing of the temporary annual percentage rate (other than a listing of the temporary annual percentage rate in the tabular format described in section 122(c)), the time period in which the introductory period will end and the annual percentage rate that will apply after the end of the introductory period;

“(iii) if the annual percentage rate that will apply after the end of the temporary period will vary in accordance with an index, clearinghouse, or other defined measure in a clear and conspicuous manner in a prominent location close proximity to the first listing of the temporary annual percentage rate (other than a listing in the tabular format prescribed by section 122(c)), the time period in which the introductory period will end and the rate that will apply after that, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

“(B) EXCEPTION.—Clauses (i) and (iii) of subparagraph (A) do not apply with respect to any listing of a temporary annual percentage rate on an envelope or other enclosure in which an application or solicitation to open a credit card account is mailed.

“(C) CONDITIONS FOR INTRODUCTORY RATES.—An application or solicitation to open a credit card account for which a disclosure is required under paragraph (1), and that offers a temporary annual percentage rate of interest shall, if that rate of interest is revocable, state the circumstances under which the temporary annual percentage rate may be revoked, in a clear and conspicuous manner, on or with such application or solicitation—

“(i) a description of the circumstances that may result in the revocation of the temporary annual percentage rate; and

“(ii) if the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate—

“(I) will be a fixed rate, the annual percentage rate that will apply upon the revocation of the temporary annual percentage rate; or

“(II) will vary in accordance with an index, the rate that will apply after the temporary rate, based on an annual percentage rate that was in effect within 60 days before the date of mailing the application or solicitation.

“(D) DEFINITIONS.—In this paragraph—

“(i) the terms ‘temporary annual percentage rate of interest’ and ‘temporary annual percentage rate’ mean any rate of interest applicable to a credit card account for an introductory period of less than 1 year, if that rate is less than an annual percentage rate that was in effect within 3 months before the date of mailing the application or solicitation; and

“(ii) the term ‘introductory period’ means the maximum time period for which the temporary annual percentage rate may be applicable.

“(E) RELATION TO OTHER DISCLOSURE REQUIREMENTS.—Nothing in this paragraph may be construed to supersede subsection (a) of section 122, or any disclosure required by paragraph (1) or any other provision of this subsection.”.

(b) REGULATORY IMPLEMENTATION.—

“(1) IN GENERAL.—The Board shall promulgate regulations implementing the require-ments of section 127(c)(6) of the Truth in Lending Act, as added by this section.

“(2) EFFECTIVE DATE.—The amendment made by subsection (a) and regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

“(A) 12 months after the date of enactment of this Act; or

“(B) 12 months after the date of publication of such final regulations by the Board.

SEC. 1304. INTERNET-BASED CREDIT CARD LI-CENTICATIONS.

SEC. 1304. INTERNET-BASED CREDIT CARD LICENTICATIONS.

(1) IN GENERAL.—The Board shall promulgate regulations implementing the require-ments of section 127(c)(6) of the Truth in Lending Act, as added by this section.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) and regulations issued under paragraph (1) of this subsection shall not take effect until the later of—

(A) 12 months after the date of enactment of this Act; or

(B) 12 months after the date of publication of such final regulations by the Board.

SEC. 1308. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.

(1) STUDY.—
(1) In General.—The Board shall conduct a study regarding the impact that the extension of credit described in paragraph (2) has on the rate of bankruptcy cases filed under title 11, United States Code, before the effective date of this Act.

The CHAIRMAN pro tempore. No further amendment is in order except those printed in the House Report 107–4. Each amendment may be offered only in the order printed, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for division of the question.

It is now in order to consider amendment No. 1 printed in House Report 107–4.

AMENDMENT NO. 1 OFFERED BY MR. SENSENBRENNER.

Mr. SENSENBRENNER. Mr. Chairman, I offer an amendment made in order by the rule.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. SENSENBRENNER:

Page 10, line 13, strike “case who is not a dependent” and insert “case who is not a dependent”.

Page 22, line 3, strike “an individual case under chapter 7” and insert “an individual case under chapter 7 in which the debtor is an individual”.

Page 31, line 9, strike “service” and insert “agency”.

Page 41, lines 12 and 16, strike “service” and insert “agency”.

Page 42, in the matter following line 3, strike “services” and insert “agency”.

Page 74, strike lines 5 through 20, and insert the following:

(1) in subsection (a)—

(A) by striking paragraph (5) and inserting “(5) for a domestic support obligation;”;

(B) by striking paragraph (18); and

(2) in subsection (c), by striking “(6), (9), or (15)” each place it appears and inserting “or (6)”;

(3) in paragraph (15), as added by Public Law 106–394 (108 Stat. 4133)—

(A) by inserting “to a spouse, former spouse, or child of the debtor and” before “not of the kind”,

(B) by inserting “or” after “court of record,” and

(C) by striking “unless—” and all that follows through the end of the paragraph and inserting a semicolon.

Page 75, strike lines 1 through 9.

Page 76, strike lines 1 through 4.

Page 86, line 14, insert “a person other than” before the open quotation marks.

Page 99, line 18, strike “the left margin 2 ems to the right.”

Page 101, line 22, strike the period at the end of the paragraph and insert a semicolon.

Page 101, line 23, strike “Nothing in paragraph (18)” and insert “but nothing in this paragraph”.

Page 107, line 18, strike “that person” and insert “a person who provides such assistance or of such preparer”.

Page 107, lines 22, 23, and 24, strike “the person” and insert “such person”.

Page 113, strike the matter after line 4, and insert the following:

“256. Restrictions on debt relief agencies.”.
Mr. Chairman, this amendment is one that proposes to make technical and conforming changes to the bill. The 420-page bill had a number of technical problems, such as improper spacing, incorrect terminology, drafting errors, incorrect bibliographic references to section numbers and grammatical inconsistencies. This amendment will clean up the bill which will make the provisions of the legislation easier to execute and to understand.

I want to emphasize that this amendment does not substantively alter the composition of the bill. Over the last several years, the Congress has considered, amended, debated, negotiated and refined this measure, and the product under consideration is the result of those labs. During the last Congress, that delicate balance is preserved in this legislation. This amendment improves the bill by making it as technically accurate as possible, which is important because lawyers, accountants, creditors and debtors will be relying on and scrutinizing its provisions. Again, this is a technical amendment meant only with precision in the terms of the legislation. I urge its adoption.

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

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Could I ask my friend the chairman why the Schiff provision was struck out after it had been put in, which led to the dilemma that we did not put it in the first place and subsequently struck out, and now we do not have it at all?

Mr. SENSBRENNER. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Wisconsin.

Mr. SENSBRENNER. Mr. Chairman, this provision was struck because it was determined to be substantive in nature and potentially controversial. It is the intention of me as the author of this amendment to have the amendment to be completely technical and nonsubstantive in nature and to clean up the inconsistencies in the bill that was presented to the President last year and ended up being pocket vetoed.

Mr. CONYERS. We are now in this situation that it was subsequently struck after we went to the Committee on Rules. We are under the limitation of the Committee on Rules' determination of what is allowed to be brought to the floor. So what do we do now, assuming that you are sympathetic to this, to what was in it?

By the way, it was also struck unilaterally. We never got any word that it was going to be struck. In the midst of the great atmosphere of bipartisanship which has been repeatedly urged upon us by so many, we have the problem creating that, if possible, I would like to try to extinguish. How do we do that?

By the way, I thought it was a technical amendment that the gentleman from California had accepted.

Mr. SENSBRENNER. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Wisconsin.

Mr. SENSBRENNER. Mr. Chairman, I thank the gentleman from Michigan (Mr. CONYERS) for yielding again.

I would further point out to my friend, the gentleman from Michigan (Mr. CONYERS), that the change was made prior to the Committee on Rules holding its hearing yesterday, and the amendment that was before the Committee on Rules. All of them had to be redrafted, recognizing the fact that the text of the bill as reported from committee is not the text of the Union Calendar print that has been submitted to the House for its consideration. So of the five amendments that were made in order by the Committee on Rules what is my priority for these technical amendments?

Mr. SENSBRENNER. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Wisconsin.

Mr. SENSBRENNER. Mr. Chairman, all of the amendments that were made in order by the Committee on Rules were redrafted to reflect the Union Calendar print that has been submitted to the House for its consideration. So of the five amendments that were made in order by the Committee on Rules, all of them had to be redrafted, recognizing the fact that the text of the bill as reported from committee is not the text of the Union Calendar print that has been submitted to the Committee on Rules. All of them had to be redrafted, recognizing the fact that the text of the bill as reported from committee is not the text of the Union Calendar print that has been submitted to the House for its consideration. So of the five amendments that were made in order by the Committee on Rules

Mr. CONYERS. I beg to differ with my friend, the chairman, but the only change was page numbers. There were no substantive changes whatsoever; and if the gentleman knows of any, beside the one of which I complain, which was dropping a technical amendment, there were no other changes made outside of the pagination.

Mr. CONYERS. I beg to differ with my friend, the chairman, but the only change was page numbers. There were no substantive changes whatsoever; and if the gentleman knows of any, beside the one of which I complain, which was dropping a technical amendment, there were no other changes made outside of the pagination.

So February 28, 2001, 3:29 p.m. It came after the fact, no notice. I think we are off to a not-good start here about how we are going to operate.

We went before the committee, and I was asked before the Committee on Rules what is my priority for these amendments? And I said in the order in which they are numbered if there is any cutoff.

How much time does the gentleman need?

Well, as much as the generosity will extend.

The CHAIRMAN pro tempore (Mr. LAROYD). The time of the gentleman from Michigan (Mr. CONYERS) has expired.
Mr. SENSENBRENNER. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, it was in the Committee on Rules that we were asked how much time and how many amendments we would like; and as I recall it, we got one amendment and certainly not in the priority which was listed.

So this is a very unhappy situation. The version before the House is not the version that was submitted to the Committee on Rules, and the majority dropped the amendment after the Committee on Rules met or the Committee on Rules did or the leadership did or somebody else that an important provision was eliminated that would ensure that children and single parents do not suffer unduly in bankruptcy.

Therefore, Mr. Chairman, I regretfully announce that I will not be able to support the gentleman’s amendment.

Mr. SENSENBRENNER. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, this is a technical amendment. The gentleman from Michigan (Mr. CONYERS) is complaining about the fact that there is an omission in the technical amendment, and the fact that it is substantive in nature means that the provisions that the gentleman from Michigan (Mr. CONYERS) is complaining about do not belong in a technical amendment.

Now, the question before the committee, when we vote on this amendment, is whether or not to pass a technical amendment that is needed to clean up the bill and to make its provisions easier to understand and easier to execute when the court has questions placed before them.

A no vote means that people want to make it harder to understand and harder to execute. I would urge the House to support this amendment so that it can be made easier to understand by everybody.

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

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Wisconsin (Mr. SENSENBRENNER).

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

Mr. CONYERS. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The Chairman pro tempore. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) will be postponed.

The point of no quorum is considered withdrawn.

It is now in order to consider amendment No. 2 printed in House Report 107-4.

Amendment No. 2 offered by Ms. JACKSON-LEE of Texas

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer amendment No. 2.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Ms. JACKSON-LEE of Texas:

Page 11, line 1, insert “or public” after “private”.

The CHAIRMAN pro tempore. Pursuant to House Resolution 71, the gentlewoman from Texas (Ms. JACKSON-LEE) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me thank both the chairman and the ranking member and the Committee on Rules for all that went into this amendment. As I indicated, I have concerns about this legislation. I have offered it to say that important elements of protecting the consumer are not included, but I do believe that we have an opportunity to enhance the legislation. I offer an amendment that speaks to all Americans, Americans who are raising children, from rural hamlets to urban centers, from large school districts to small school districts.

Recognizing that the education of our children from K to 12 is an expensive endeavor, H.R. 333 includes a provision that allows for private school expenses to be deducted or to be utilized as relates to bankruptcy so that those expenses could be paid, and therefore this particular amendment adds a debtor’s monthly public school expenses as allowable expenses under the means test.

Mr. SENSENBRENNER. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I thank the gentlewoman from Texas (Ms. JACKSON-LEE) for yielding.

Mr. Chairman, I believe that the gentlewoman has pointed out an unequal treatment that allows for private school expenses, which is already included in the bill, at an equal footing with that of private school expenses, which is already included in the bill.

I am surprised that my colleagues in the majority do not know that there are expenses associated with sending children to public schools. Parents whose children participate in extracurricular activities such as, the debate club, bank, choir, athletic programs, cheerleaders, or dozens of other courses that are offered in public schools. These courses require that parents provide financial support from their own resources in order to support their child’s participation in these programs.

It is very unfair to assume that only parents whose children attend private schools have expenses worth protecting under this new bankruptcy reform legislation. What does not make sense is protecting private education, for no other reason other than it is private education, while ignoring the overwhelming majority of children who’s parents send their children to public schools.

The principal problem with the means test is that the rigid one-size-fits-all in determining eligibility for chapter 7 and the operation of chapter 13 will often operate in an arbitrary fashion.

Access to bankruptcy would be more difficult, especially for low-income filers who are not able to meet the requirements because they cannot list public school expenses as an allowable expense as would their private school counterparts. The “safe harbor” provision that is supposed to protect some low-income families from the application of the IRS
Mr. Chairman, let me begin by congratulating not only the gentleman from Pennsylvania (Mr. Gekas) but also the gentleman from Wisconsin (Mr. Sensenbrenner) for their fine work in moving this forward. This amendment that I refer to address is not only an amendment about bankruptcy as it is an effort of closing a small, unintended hole in child safety. It in no way restricts the flow of necessary information regarding debtor’s financial records. It does not attempt to deal with larger issues of privacy or the Internet.

What it does try to do is take a small, modest step towards protecting children from unnecessary exposure to harm. The problem is a real simple one.

When someone files for bankruptcy, they are naturally required to disclose information regarding themselves and their dependents. This information is vital to the integrity of the bankruptcy process, but as we all recognize, it is also very detailed and personal.

Schedule I, for example, a document entitled “The Current Income of Individual Debtors,” requires the debtor to list his or her dependents, their names, ages and their relationship to the debtor. Now, much of this information is important to creditors. Unfortunately, if it is left unchanged it is also all of the information that some people might need to seek out and contact children. I think in this dangerous world, that represents a problem.

My amendment makes a single, small, modest change that makes no difference to the information that creditors need but perhaps a great difference to debtors. It simply prevents the name of the child from being disclosed in these forms that go into the public docket. That is all that it attempts to do.

Mr. SENSENBRENNER. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Wisconsin. I yield to the gentleman from Wisconsin.

Mr. SENSENBRENNER. Mr. Chairman, I am happy to support the amendment. I think the points made by my colleague, the gentleman from Wisconsin (Mr. Green) are absolutely correct, and I believe that it would be a significant improvement to this bill and hope that the committee adopts it.

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the chairman for his graciousness.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Wisconsin. I yield to the gentlewoman from Texas.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me say that my preceding amendment dealing with children being educated follows my concern as chair of the Congressional Children’s Caucus and welcomes this amendment. I congratulate the gentleman for it.

The personal information about children certainly needs to be avoided in this instance and the gentleman is right, it has no impact on this legislation. We are happy to support his amendment, and congratulations.

Mr. Chairman, I rise in support of the amendment offered by Senator LEAHY and commend him for taking action on a problem that was identified during our Committee hearing on the bill. While I agree that we must protect our children by removing their names from bankruptcy filings, which can be accessed electronically over the Internet, this amendment is only the tip of the iceberg.

We have a much bigger problem—namely the availability of all kinds of personal information that is part of a bankruptcy proceeding. This information is now available for the world to see over the Internet. That is why our Democratic substitute limits electronic access to all personal, financial, or medical data that is part of a bankruptcy petition.

In addition to the names of children, there are all kinds of other information that debtors have to disclose in bankruptcy. There is basic personal information such as the debtor’s social security number, telephone number, credit card and bank account numbers, medical history, mother’s maiden name, and other highly sensitive data. I don’t think any one of us would want this information to be just a point-and-click away from being available to persons who have no legitimate use for the information.

In addition, there’s even a risk that personal information about third parties will be posted on the Internet. If the debtor is paying the medical expenses for a child or an aging parent, that medical information about someone other than the debtor will be just a point-and-click away as well.

If we really want to protect our children whose parent or guardian files for bankruptcy, then we’ve got to do more than just keep their names out of the filings. A provision in our Democratic substitute amendment that was originally drafted by Senator LEAHY would protect not only the names of children and all other sensitive information by limiting electronic access to such information only to those parties who certify that they are qualified to obtain it.

If we really want to protect the privacy of our children in bankruptcy, then we’ve got to support the Green amendment and the additional privacy protections in the Democratic substitute.

Mr. GREEN of Wisconsin. Mr. Chairman, I thank the gentlewoman from Texas (Ms. JACKSON-LEE) for her support.

Mr. LAMPSON. Mr. Chairman, today I rise in support of Congressman Green’s amendment would prevent the name of a child from being disclosed during a bankruptcy proceeding. Although this is a small part of the bigger picture of privacy, this amendment will have an immediate effect in protecting innocent children.

Last Congress, our former colleague and my former colleague of the Congressional Massachusetts and Exploited Children’s Caucus, Congressional Bob Franks, introduced legislation that would have amended the Federal criminal code to prohibit and set penalties for...
specifying activities relating to personal information about a child including knowingly selling such information (by a list broker) without the written consent of a parent of that child, knowing that such information pertains to a child; and distributing or soliciting any such information, knowing or having reason to believe that the information will be used to abuse or physically harm the child.

How easily could a pedophile construct a list of names, ages and addresses of children simply by obtaining a list of bankruptcy filings over the Internet? Very easily.

The National Center for Missing and Exploited Children just to be certain that NCMEC doesn’t use bankruptcy filings in aiding their searches for missing children. Few, if any, of these filings are used. While it may not be very common practice for a child predator to use these filings to his or her advantage, I would rather not take that chance.

I urge my colleagues to support Congressman Green’s amendment to keep our children safe.

Mr. Green of Wisconsin. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Green).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment No. 4 printed in House Report 107-4.

Mr. OXLEY. Mr. Chairman, I offer amendment No. 4.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. Oxley:

Page 286, line 10, insert “mortgage” before “loan”.

Page 286, line 11, insert “, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, mortgage, interest, group or index, or option” before the semicolon at the end.

Page 287, line 10, insert a comma after “index”.

Page 288, line 18, insert “or any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause” after “clause”.

Page 289, line 8, insert “or any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause” after “clause”.

Page 293, line 7, insert “or any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause” after “clause”.

Page 296, line 2, insert “or any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in this clause” after “clause”.

Page 297, line 7, insert “total return,” before “credit”.

Page 297, line 15, insert “that is” before “similar”.

Page 297, line 17, strike “that” and insert “and interest”.

Page 297, beginning on line 18, strike “regularly entered into in the swap market” and insert “the subject of recurrent dealings in the swap market”.

Page 298, line 1, insert “quantitative measures associated with an occurrence, extent of an occurrence or contingency associated with a financial, commercial or economic consequence,” before “or”.

Page 298, line 1, insert “or financial” after “economic”.

Page 298, beginning on line 4, strike “subparagraph” and insert “subclause”.

Page 298, line 5, insert “or any guarantee or reimbursement obligation in connection with any agreement or transaction referred to in any such subclause” before the period at the end.

Page 299, line 19, insert “the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000,” before “and”.

Page 305, line 19, strike “contract” and insert “contracts”.

Page 306, line 18, insert “cleared by or before “subject”.

Page 307, line 2, insert “and the term ‘clearing organization’ means a clearing organization as defined in Section 409 of the Federal Deposit Insurance Corporation Improvement Act of 1991” after “financial institution”.

Page 312, line 2, strike “or” and insert “, that”.

Page 313, line 4, insert “or that is a multilateral clearing organization (as defined in section 409 of this Act)” before the closing quotation marks.

Page 317, line 12, strike “BANKS AND” and insert “BANKS”.

Page 317, line 13, insert “, certain uninsured state member banks, and edge act corporations” before the period.

Page 317, line 21, insert “banks and” and insert “banks”.

Page 317, line 22, insert “, certain uninsured state member banks, and edge act corporations” before the period.

Page 318, line 2, insert “or a corporation chartered under section 25A of the Federal Reserve Act or an uninsured State member bank which operates, or operates as, a multilateral clearing organization pursuant to section 409 of this Act,” after “agency”.

Page 318, line 7, insert “in the case of an uninsured national bank or uninsured Federal branch or agency, or to the receiver of a corporation chartered under section 25A of the Federal Reserve Act or an uninsured State member bank appointed by the Board of Governors of the Federal Reserve System in the case of a corporation chartered under section 25A of the Federal Reserve Act or an uninsured State member bank” before the semicolon at the end.

Page 318, line 15, insert “in the case of an uninsured national bank or uninsured Federal branch or agency, or to the receiver or conservator of a corporation chartered under section 25A of the Federal Reserve Act or an uninsured State member bank appointed by the Board of Governors of the Federal Reserve System in the case of a corporation chartered under section 25A of the Federal Reserve Act or an uninsured State member bank” before the semicolon at the end.

Page 318, line 18, strike “bank or” and insert “bank”.

Page 318, line 19, insert “a corporation chartered under section 25A of the Federal Reserve Act or an uninsured State member bank which operates, or operates as, a multilateral clearing organization pursuant to section 409 of this Act” before the period at the end.

Page 318, line 21, strike “bank or” and insert “bank”.

Page 318, line 22, insert “a corporation chartered under section 25A of the Federal Reserve Act or an uninsured State member bank which operates, or operates as, a multilateral clearing organization pursuant to section 409 of this Act,” after “agency”.

Page 319, line 3, insert “and the Board of Governors of the Federal Reserve System” after “Currency”.

Page 319, line 4, insert “each” after “may”.

Page 319, line 8, insert “an uninsured State member bank” before “Currency”.

Page 319, line 8, insert “each” after “shall”.

Page 321, line 6, insert “or any guarantee or reimbursement obligation by or to a foreign bank or by or to a foreign clearing organization, or by or to a foreign bank or by or to a foreign clearing organization, in connection with any agreement or transaction referred to in any such subparagraph,” after “(O),” or “(D).”

Page 324, beginning on line 7, strike “actual value of such contract on the date of the filing of the petition and insert ‘damages in connection with any such agreement or transaction measured in accordance with Section 562 of this title’.

Page 323, line 18, insert “or any guarantee or reimbursement obligation by or to a representative or financial participant in connection with any agreement or transaction referred to in any such clause” after “(iii),” or “(ii)”.

Page 323, beginning on line 19, strike “actual value of such contract on the date of the filing of the petition and insert ‘damages in connection with any such agreement or transaction measured in accordance with section 562 of this title’.

Page 324, beginning on line 11, strike “which is an interest rate swap” and insert “which is—”.

Page 325, line 3, insert “total return,” before “credit spread”.

Page 325, line 12, insert “that is” before “similar”.

Page 325, line 13, insert “and” before “that”.

Page 325, line 14, insert “has been,” before “is”.

Page 325, beginning on line 15, strike “regularly entered into in the swap market” and insert “the subject of recurrent dealings in the swap market”.

Page 325, line 23, insert “quantitative measures associated with an occurrence, extent of an occurrence or contingency associated with a financial, commercial or economic consequence,” after “instrumenta”.

Page 325, line 24, insert “or financial” after “economic”.

Page 325, line 25, insert “or financial” before “risk”.

Page 326, line 24, insert “or any guarantee or reimbursement obligation by or to a swap participant or financial participant in connection with any agreement or transaction referred to in any such clause” after “through (iv)”.

Page 326, beginning on line 25, strike “actual value of such contract on the date of the filing of the petition and insert ‘damages in connection with any such agreement or transaction measured in accordance with section 562 of this title’.

Page 327, line 14, insert “the Gramm-Leach-Bliley Act, the Legal Certainty for Bank Products Act of 2000,” before “and”.

Page 328, line 6, insert “mortgage” before “loan”.

Page 328, line 7, insert “, and including any repurchase or reverse repurchase transaction on any such security, certificate of deposit, interest, group or index, or option” before the semicolon at the end.

Page 329, line 25, strike the comma.
in connection with any agreement or transaction referred to in this subparagraph" before the comma after "subparagraph".

Page 330, beginning on line 12, strike "actual value of such contract on the date of the filing of the petition" and insert "damages in connection with any such agreement or transaction measured in accordance with section 562 of this title" before the comma after "paragraph".

Page 331, line 12, insert "or any guarantee or reimbursement obligation by or to a commodity broker or financial participant in connection with any such agreement or transaction referred to in this paragraph" before the comma after "paragraph".

Page 331, beginning on line 12, strike "actual value of such contract on the date of the filing of the petition" and insert "damages in connection with any such agreement or transaction measured in accordance with section 562 of this title" before the comma after "paragraph".

Page 331, after line 18, insert the following new paragraph (and redesignate subsequent paragraphs accordingly):

(i) by striking paragraph (22) and inserting the following:

"(22) ‘financial institution’ means—

(A) an entity (domestic or foreign) that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver conservator or entity acting as agent or custodian for a customer in connection with contracts defined in section 741, such customer; or

(B) in connection with a securities contract, as defined in section 741, an investment contract registered under the Investment Company Act of 1940;"

Page 332, line 13, strike ‘participant’ means an entity and insert ‘participant’ means an entity and insert the following:

(A) an entity

Page 332, after line 15, strike "swaps agreement, repurchase agreement, after ‘commodity contract’." and insert "swaps agreement, repurchase agreement, after ‘commodity contract’.

Page 333, line 3, strike the closing quotation marks and the second semicolon.

Page 333, after line 3, insert the following new subparagraph:

"(B) a ‘clearing organization’ (as such term is defined in section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991), a national securities exchange, a national securities association, a contract market designated under the Commodity Exchange Act, a derivatives transaction execution facility registered under the Commodity Exchange Act, or a board of trade (as defined in the Commodity Exchange Act) or in a resolution of the governing board thereof and a right.

Page 334, line 14, strike "and."

Page 334, line 18, strike the period and insert "and.

Page 340, after line 18, insert the following new paragraph:

(ii) by striking so much of the text of the second sentence as appears before ‘whether’ and inserting ‘As used in this section, the term ‘contractual right’ includes a right set forth in a rule or bylaw of a derivatives clearing organization (as defined in the Commodity Exchange Act), a multilateral clearing organization (as defined in the Federal Deposit Insurance Corporation Improvement Act of 1991), a national securities exchange, a national securities association, a contract market designated under the Commodity Exchange Act, a derivatives transaction execution facility registered under the Commodity Exchange Act, or a board of trade (as defined in the Commodity Exchange Act)’.

Page 347, line 12, strike "and."

Page 347, line 14, strike the period and insert a semicolon.

Page 347, after line 14, insert the following new paragraphs:

(i) in section 569, by inserting “or financial participant” after “repo participant” each time such term appears;

(ii) in section 569, by inserting “or financial participant” after “swap participant” each time such term appears;

Page 348, strike the item following line 4, and insert the following new item:

"(7) Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, financial participants, swap participants, repo participants, and master netting agreement participants.

Page 348, strike the item following line 5, and insert the following new item:

"(8) Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, financial participants, swap participants, repo participants, and master netting agreement participants."
Page 348, after the item following line 7, insert the following new section:

SEC. 907A. SECURITIES BROKER AND COMMODITY BROKER LIQUIDATION.

The Securities and Exchange Commission and the Commodity Futures Trading Commission may consult with each other with respect to—

(1) whether, under what circumstances, and the extent to which security futures products will be treated as commodity contracts or securities in a liquidation of a person that is both a securities broker and a commodity broker; and

(2) the treatment in such a liquidation of accounts in which both commodity contracts and securities are owned.

Page 352, line 1, insert a comma after “101.”

Page 352, line 2, strike “and 741” and insert “741, and 761.”

The CHAIRMAN pro tempore. Pursuant to House Resolution 71, the gentleman from Ohio (Mr. OXLEY) and a Member opposed each will control 5 minutes.

Mr. Oxley. Mr. Chairman, I yield myself 3 minutes.

Mr. Oxley. Mr. Chairman, I rise today in support of the amendment offered by the ranking minority member of the Committee on Financial Services, the gentleman from New York (Mr. Lafalce), and myself.

Our amendment makes several technical and conforming changes to Title IX of H.R. 333. Currently Title IX contains the provisions of H.R. 1161 which passed the House three times in the 106th Congress but did not make it to the President.

That legislation was based upon recommendations of the Clinton administration, but it broadened bipartisan support, and was sought by the financial services industry and the regulatory community.

I am very pleased we have brought this bill back to the floor so quickly and successfully. The majority leader and the chairman, the gentleman from Wisconsin (Mr. Sensenbrenner), both deserve high praise for their work on this legislation.

Unfortunately, the bill before the House today does not make changes to these provisions necessitated by the later enactment of the Commodity Futures Modernization Act of 2000 sponsored by our good friend, Mr. Ewing. Without the changes in this amendment, similar kinds of financial contracts could be treated differently under the banking laws and the bankruptcy laws, where I come from.

Mr. Chairman, this does not make any sense. To my knowledge, this amendment is noncontroversial and has the support of the Treasury Department, the President’s Working Group on Financial Markets, and the financial services industry. I am unaware of any opposition to the substance of this amendment.

We look forward to continuing to work with the administration and our colleagues in conference to address the remaining issues that were not included in this amendment. Mr. Chairman, this bill is a good bill and enjoys broad support.

I also want to thank my ranking minority member, the gentleman from New York (Mr. Lafalce), for his assistance in crafting this amendment which is so important to the smooth operation of our financial markets.

Mr. Chairman, this is a good amendment and a good bill. I urge all of my colleagues to support both.

Mr. Chairman, I am including for the record some material explaining the provisions of Title IX and the changes made by this amendment to provide needed technical background. This is a good amendment and a good bill, and I urge all of my colleagues to support both.

ANALYSIS

I. INTRODUCTION

Title IX of H.R. 333 is based on the work of an interagency working group under the auspices of the President’s Working Group on Financial Markets following a review of current statutory provisions governing the treatment of qualified financial contracts and similar financial contracts upon the insolvency of a counterparty.

II. PURPOSE

Title IX amends the Bankruptcy Code, the Federal Deposit Insurance Act (FDIA), as amended by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), the payment system risk reduction and meeting provisions of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDCIA), and the Securities Investor Protection Act of 1970 (SIPA). These amendments address the treatment of certain financial transactions following the insolvency of a party to such transactions. The amendment defines qualified financial contracts and improves the consistency between the applicable statutes and to minimize the risk of a disruption within or between financial markets upon the insolvency of a counterparty.

III. BACKGROUND

Since its adoption in 1978, the Bankruptcy Code has been amended several times to afford different treatment for certain financial transactions upon the bankruptcy of a debtor, as compared with the treatment of other commercial contracts and transactions. These amendments were designed to further the policy of minimizing systemic risks potentially arising from certain interconnected financial activities and markets. Similar amendments have been made to the FIRREA and the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC) have issued policy statements and letters clarifying general issues in this regard.

Systemic risk has been defined as the risk that a disruption—at a firm, in a market segment or in the payment systems—can cause widespread difficulties at other firms, in other market segments or in the financial system as a whole. If participants in certain financial markets are given the opportunity to exercise their rights to terminate financial contracts with an insolvent entity in a timely manner, to offset or net payment and other transfer obligations and entitlements arising under such contracts, and to foreclose on collateral securing such contracts, the resulting uncertainties and potential losses could increase the risk of an inter-market disruption.

Congress has in the past taken steps to ensure that the risk of such systemic events is minimized. For example, both the Bankruptcy Code and the FDIA contain provisions that protect the rights of financial participants to terminate swap agreements, forward contracts, securities contracts, commodity contracts and repurchase agreements for the bankruptcy or insolvency of a counterparty to such contracts or agreements. Furthermore, other provisions prevent transfers made in certain circumstances from being avoided as preferences or fraudulent conveyances (except when made with actual intent to defraud and taken in bad faith). Protections are also afforded to ensure that the acceleration, termination, liquidation, netting, setoff and collateral foreclosure provisions of such provisions are enforceable.

In addition, FDICIA was enacted in 1991 to protect the enforcement of netting provisions in “netting contracts” between “financial institutions.” FDICIA states that the goal of enforcing netting arrangements is to reduce systemic risk within the banking system and financial markets.

The orderly resolution of insolvencies involving counterparties to such contracts also is an important element in the reduction of systemic risk. The FDIA allows the receiver for an insolvent insured depository institution the opportunity to review the status of certain contracts to determine whether to terminate or transfer the contracts to new counterparties. These provisions provide the receiver with flexibility in determining the most appropriate resolution for the failed institution and facilitate the reduction of systemic risk by permitting the transfer, rather than termination, of such contracts.

IV. SUMMARY AND SECTION-BY-SECTION ANALYSIS

In general, Title IX is designed to clarify the treatment of certain financial contracts upon the insolvency of a counterparty and to promote the reduction of systemic risk. It furthers the goals of prior amendments to the Bankruptcy Code regarding the treatment of those financial contracts and of the payment system risk reduction provisions in FDICIA. It has four principal purposes:

1. To strengthen the provisions of the Bankruptcy Code and the FDIA that protect the enforceability of acceleration, termination, liquidation, close-out netting, collateral foreclosure and related provisions of certain financial agreements and transactions.

2. To harmonize the treatment of these financial agreements and transactions under the Bankruptcy Code of certain financial agreements and transactions of financial institutions (including certain FDICIA insured institutions and SIPC insured institutions). Protections of rights of SIPC and receivers of certain uninsured institutions cannot be defeated by operation of the terms of the agreements or the Bankruptcy Code or by operation of the Bankruptcy Code or by operation of the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation.

3. To amend the FDIA and FDICIA to clarify that certain rights of the FDIC acting as conservator or receiver for a failed insured depository institution (including certain FDICIA insured institutions and SIPC insured institutions) cannot be defeated by operation of the terms of the agreements or the Bankruptcy Code or by operation of the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation.

4. To make other substantive and technical amendments to clarify the enforceability of financial agreements and transactions in bankruptcy or insolvency and to make changes as are designed to further minimize systemic risk to the banking system and the financial markets.

Section 907A(a) through (f) amend the FDIA definitions of “qualified financial contract,” “securities contract,” “commodity transaction,” “financial institution,” “financial market,” “intermarket disruption,” “SIPC,” “Securities Investor Protection Corporation,” “enhancement,” “netting,” and “close-out netting.” Section 907A(b) amends the FDIA to provide that the FDIC is authorized to make payments to the FDIC as receiver of an insured depository institution. Section 907A(c) amends the FDIA to provide that the FDIC is authorized to receive, use and pay off financial instruments issued by financial institutions to protect closed accounts of depositors. Section 907A(d) amends the FDIA to provide that the FDIC is authorized to receive, use and pay off financial instruments issued by financial institutions to protect closed accounts of depositors. Section 907A(e) amends the FDIA to provide that the FDIC is authorized to receive, use and pay off financial instruments issued by financial institutions to protect closed accounts of depositors. Section 907A(f) amends the FDIA to provide that the FDIC is authorized to receive, use and pay off financial instruments issued by financial institutions to protect closed accounts of depositors.
contract,” “forward contract,” “repurchase agreement” and “swap agreement” to make them consistent with the definitions in the Bankruptcy Code and to reflect the enactments of the Commodity Futures Modernization Act of 2000 (CFMA). It is intended that the legislative history and case law surrounding those terms, to the date of this amendment, be incorporated into the legislative history of the FDIA.

Subsection (b) amends the definition of “securities contract” to include repurchase agreements, to define margin loans, to clarify the coverage of securities options and to clarify the coverage of repurchase and reverse repurchase transactions. The definition is intended to encompass only those loans commonly known in the securities industry as “margin loans,” such as arrangements where a dealer extends credit to a customer in connection with the purchase, sale or trading of securities, and does not include loans that are not commonly referred to as “margin loans,” however documented. The reference in subsection (b) to a “guarantee by or to any securities clearing agency” is intended to cover other arrangements, such as novation, that have an effect similar to a guarantee. The reference to a “loan” of a security in section 101 of the FDIA as defined in the FDIA, even if not a “repurchase agreement” as defined in the FDIA, simply would be a loan taken by a purchasing party in purchasing a commodity, even though not a “repurchase agreement” as defined in the FDIA, could continue to be a securities contract as defined in the FDIA. Simi- larly, the definition of commodity contract, as defined in the FDIA, is not intended to affect the characterization, definition, or treatment of any instruments under any other statute, regulation, or rule, but not limited to, the statutes, regulations or rules enumerated in subsection (f).

The definition also includes any security agreement or arrangement, or other credit enhancement, related to a swap agreement, and any guarantee or reimbursement obligation related to a swap agreement. This ensures that any such agreement, arrangement or enhancement is itself deemed to be a swap agreement, and therefore subject to treatment as such for purposes of termination, liquidation, acceleration, offset and netting under the FDIA and the Bankruptcy Code. Such changes are not intended to change the definitions of “forward contract,” “commodity contract,” “repurchase agreement” and “securi- ties contract.”

The term used in the definition of “forward contract” is intended to refer only to transactions that fall within the definition of “forward contract.” Instead, a “forward” transaction could be a “swap agreement” even if not a “forward contract.”

Subsection (g) amends the FDIA by adding a new term, “transaction,” to the definition of a swap agreement, to make it clear that a key term used in the FDIA, to ensure that it is broadly construed to encompass dispositions of property or interests in property. The definition tracks that in section 101 of the Bankruptcy Code.

Subsection (h) makes clarifying technical changes to conform the receiviorship and conservatorship provisions of the FDIA. This subsection also clarifies that the FDIA expressly protects rights under security agreements, arrangements or other credit enhancements related to one or more qualified financial contracts (QFCs). An example of a security agreement is a right of setoff, and examples of other credit enhancements are secured loans, and repurchase arrangement obligations and other similar agreements.
Subsection (i) clarifies that no provision of Federal or state law relating to the avoidance of preferential or fraudulent transfers (including the anti-preference provision of the Bankruptcy Code) can be used to avoid a transfer made in connection with any QFC of an insured depository institution in conservatorship or receivership, absent actual fraudulent intent on the part of the transferee.

Section 902 provides that no provision of law, including FDICIA, shall be construed to limit the authority of the FDIC to transfer or repudiate any QFC in accordance with its powers under the FDIA. As discussed below, there has been some uncertainty regarding whether FDICIA limits the authority of the FDIC to transfer or to repudiate QFCs of an insolvent financial institution. Section 902—as well as other provisions in the Act—clarify that FDICIA does not limit the transfer powers of the FDIC with respect to QFCs.

Section 902 denies enforcement to "walkaway" clauses. A "walkaway" clause is defined as a provision that, after calculation of a value of a party’s position or an amount due to or from one of the parties upon liquidation or termination of the QFC, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party’s status as a non-defaulting party.

Section 903

Subsection (a) amends the FDIA to expand the transfer authority of the FDIC to permit transfers of QFCs to "financial institutions," as defined in FDICIA or in regulations. This provision will allow the FDIC to transfer QFCs to a non-depository financial institution, provided the institution is subject to bankruptcy or insolvency proceedings.

The new FDIA provision specifies that when the FDIC transfers QFCs that are cleared on or subject to the rules of a particular clearing organization, the transfer will not require the clearing organization to accept the transferee as a member of the organization. This provision provides flexibility in resolving QFCs cleared on or subject to the rules of a clearing organization, while preserving the ability of such organizations to enforce appropriate risk-reducing membership requirements. The amendment does not require the clearing organization to accept for clearing any QFCs from a financial institution that is not subject to bankruptcy or insolvency proceedings.

Section 904

Subsection (a)(1) amends the definition of "clearing organization" to include clearinghouses that are subject to exemptions pursuant to orders of the Securities and Exchange Commission or the Commodity Futures Trading Commission and to include multilateral netting arrangements of the kind which are used to document one or more qualified financial contracts, which include depository institutions. Subsection (a)(2) amends the definition of covered institutions to include (i) uninsured non-depository financial institutions, (ii) foreign banks, (iii) foreign depository institutions that are not part of a single consolidated financial institution, and (iv) the Commodity Futures Modernization Act of 1999. This amendment clarifies that the term "clearing organization" includes clearinghouse and central clearing organization as defined in section 2 of the Commodity Futures Modernization Act of 1999.

Subsection (b) amends the notification requirements following a transfer of the QFCs of a financial institution to require the FDIC to notify any party to a transferred QFC of such transfer by 5:00 p.m. (Eastern Time) on the business day following the date of the appointment of the FDIC acting as receiver or following the date of such transfer by the FDIC acting as conservator. This amendment is consistent with the policy statement on QFCs issued by the FDIC on December 12, 1989.

Subsection (c) amends the FDIA to clarify the relationship between the FDIC and the receivership or conservatorship of an eligible financial institution. Under FDICIA, the FDIC during which the FDIC may repudiate or transfer a QFC in a conservatorship or receivership. Subsection (c) provides that a party may not repudiate a QFC based solely on the appointment of the FDIC as receiver until 5:00 p.m. (Eastern Time) on the business day following the appointment of the FDIC as receiver. Subsection (c) provides that a party may not repudiate a QFC based solely on the appointment of the FDIC as conservator, notwithstanding the provisions of FDICIA. This provides the FDIC with an opportunity to undertake an orderly resolution of the insured depository institution.

Section 906

Section 906 states that a master agreement for one or more securities contracts, commodity contracts, forward contracts, repurchase agreements or swap agreements will be governed by a single QFC. This section amends the QFC provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to provide that cross-product master agreements are governed by the provisions of the Act and are enforceable under the FDIA. Cross-product master agreements extend the protections of FDICIA to entities subject to systemic risk. This provision clarifies that cross-product master agreements are governed by the provisions of the Act and are enforceable under the FDIA. Cross-product master agreements extend the protections of FDICIA to entities subject to systemic risk.

Section 907

Section 907 states that a master agreement for one or more securities contracts, commodity contracts, forward contracts, repurchase agreements or swap agreements will be governed by a single QFC. This section amends the QFC provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 to provide that cross-product master agreements are governed by the provisions of the Act and are enforceable under the FDIA. Cross-product master agreements extend the protections of FDICIA to entities subject to systemic risk. This provision clarifies that cross-product master agreements are governed by the provisions of the Act and are enforceable under the FDIA. Cross-product master agreements extend the protections of FDICIA to entities subject to systemic risk.
the failure of such a member. Under the current FDICIA provisions, the enforceability of such arrangements depends on a case-by-case determination that clearing organizations could rely on future members of each other for purposes of FDICIA.

Subsection (a)(4) amends the FDICIA definition of netting contract and the general rules for netting contracts. The current FDICIA provisions require that the netting agreement must be governed by the laws of the United States or a State to receive the protections of FDICIA. However, many of these agreements, particularly netting arrangements covering positions taken in foreign exchange dealings, are governed by the laws of a foreign country. This subsection broadens the definition of “netting contract” to include those agreements governed by foreign law, and preserves the FDICIA requirement that a netting contract not be invalid under, or precluded by, Federal law.

Subsections (b) and (c) establish two exceptions to FDICIA’s protection of the enforceability of the provisions of netting contracts between financial institutions and among clearing organizations.

First, the termination provisions of netting contracts will not be enforceable based solely on (i) the appointment of a conservator or receiver for a depository institution under the FDIA or (ii) the appointment of a receiver for such institution under the FDIA, if such receiver transfers or repudiates QFCs in accordance with the FDIA and the FDIA under the terms and conditions of a transfer by 5:00 p.m. on the business day following the appointment of a receiver. This change is made to confirm the FDICIA’s flexible provisions to transfer or repudiate QFCs of an insolvent depository institution in accordance with the terms of the FDIA. This modification also provides important flexibility to the treatment of QFCs under the FDIA, because the current relationship between the FDIA and FDICIA is unclear.

The second exception provides that FDICIA does not override a stay order under SIPA with respect to foreclosure on securitites (but not cash) collateral of a debtor (section 911 makes a conforming change to SIPA). There is also an exception relating to insolvent commodity brokers.

Subsection (a)(1) also clarify that a security agreement or other credit enhancement related to a netting contract is enforceable to the same extent as the underlying agreement.

Subsection (d) adds a new section 407 to FDICIA. This new section provides that, notwithstanding any other law, QFCs with uninsured national banks or uninsured Federal branches or agencies or uninsured State member banks or Edge Act corporations that operate, or operate as, a multilateral clearing organization and that are placed in receivership or conservatorship will be treated in the same manner as if the contract were with a commercial bank or Federal branch for which a receiver or conservator was appointed. This provision will ensure that parties to QFCs with these institutions will have the same rights and obligations as parties entering into the same agreements with insured depository institutions. The new section specifically limits the powers of a receiver or conservator for such an institution to those contained in 12 U.S.C. §§1821(e)(8), (9), (10), and (11), which address QFCs.

While the amendment would apply the same rules to such institutions that apply to insured institutions, the provision would not change the rules that apply to insured institutions. Specifically, sections 202 of the International Banking Act, the Federal Deposit Insurance Act, the National Bank Act, or other statutory provisions with respect to receiverships of insured national banks or Federal branches.

Section 907

Subsection (a)(1) amends the Bankruptcy Code definition of a “swap agreement” and “swap agreement” to conform with the amendments to the FDIA contained in sections 901(e) and 901(f) of the Act.

In connection with the “repurchase agreement,” the term “qualified foreign government securities” is defined to include securities that are direct obligations of, or for guaranteed by, governors of the Organization for Economic Cooperation and Development (OECD). This language reflects developments in the markets, which increasingly use foreign government securities as the underlying asset. The securities are limited to those issued by or guaranteed by the United States or any State, as countries that have concluded special lending arrangements with the International Monetary Fund associated with the Fund’s General Arrangements to Borrow.

Subsection (a)(1) also amends the definition of “repurchase agreement” to include those on mortgage-related securities, mortgage bonds subject to the Bankruptcy Code and the Internal Revenue Code of 1986, repaired or repudiated QFCs, and consummated in participations in commercial loans, and therefore eligible for treatment under the Bankruptcy Code.

Subsection (b) establishes two exceptions to this definition. The first exception provides that certain transactions that are similar to any other agreement or transaction referred to in subsection (a)(1) and that are not used for more rates of interest, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with commodities, employment, the business of an insolvent commodity broker, or contingency associated with a financial, commercial or economic consequence, or economic or financial indices or measures of economic or financial conditions, are not included. The definition of “swap agreement” in this subsection should not be interpreted to permit parties to document non-swaps as swap transactions. Traditional commercial arrangements, such as supply agreements, or other non-financial market transactions, such as commercial, residential or consumer loans, cannot be treated as “swaps” under either the FDIA or the Bankruptcy Code because the parties purport to document or label the transactions as “swap agreements” and the characterization of certain transactions as a “swap agreement,” are not intended to affect the characterization, definition, or treatment of the transactions. Transactions that are not swaps in the Bankruptcy Code, or other statute, regulation, or rule included, but not limited to, the statute, regulations or rules enumerated in subsection (a)(1)-(3).

The definition also includes any security agreement or other credit enhancement related to a swap agreement and any guarantee or reimbursement obligation related to a swap agreement. This ensures that any such agreements, arrangements, or other credit enhancement, related to a swap agreement and any guarantee or reimbursement obligation related to a swap agreement. This ensures that any such agreement, arrangement, or other credit enhancement is itself deemed to be a swap agreement, and therefore eligible for treatment as such for purposes of termination, liquidation, acceleration, or similar action under the Bankruptcy Code and the FDIA. Similar changes are made in the definitions of “forward contract,” “commodity contract,” “repurchase agreement,” and “commodities contract.” An example of a security arrangement is a right of setoff; examples of metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement; a weather contract, a weather derivative, or weather option.” As amended, the definition of “swap agreement” will update the statutory definition of “swap agreement” across economically similar transactions.

The definition of “swap agreement” origin- ing in the Bankruptcy Code. Inter alia, the amendment flexibility to avoid the need to amend the definition as the nature and uses of swap transactions matured. To that end, the phrase “or any other agreement” was included in the definition. (The phrase “or any similar agreement” has been added to the definitions of “forward contract,” “commodity contract,” “repurchase agreement,” and “commodity contract” for the same reason.) To clarify this, subsection (a)(1) expands the definition of “swap agreement” to include transactions that is similar to any other agreement or transaction referred to in subsection (a)(1) and that are not used for more rates of interest, commodities, equity securities or other equity instruments, debt securities or other debt instruments, quantitative measures associated with commodities, employment, the business of an insolvent commodity broker, or contingency associated with a financial, commercial or economic consequence, or economic or financial indices or measures of economic or financial conditions.
other credit enhancements are letters of credit and other similar agreements. A security agreement or arrangement or guarantee or reimbursement obligation related to a swap agreement, repurchase agreement, forward contract, commodity contract, or net agreement to the counterparty or the extent of the counterparty's exposure to the counterparty is intended to apply to loans of securities, whether or not for a specified term of up to 15 months, including any extension of the 15-month period beyond the date of the bankruptcy petition if the 15-month period can be extended under applicable law. Subsection (c) of section 526 authorizes the creation of a “master netting agreement,” which is generally a wide-ranging agreement that sets forth the terms under which the parties to a transaction agree to enforce their rights and obligations against each other. This agreement is intended to apply to all transactions, including transactions with certain financial institutions.

Subsection (d) of section 526 also defines a “financial participant” as an entity that participates in financial markets and is engaged in activities that are considered financial in nature, such as securities, derivatives, and commodity contracts. The definition is intended to encompass a wide range of entities, including banks, thrifts, and other financial institutions.

Subsection (e) of section 526 provides for the inclusion of certain provisions in master netting agreements, including provisions that allow for the simultaneous enforcement of multiple agreements and provisions that require the counterparties to indemnify each other for losses incurred as a result of the bankruptcy of a party to the agreement. Subsection (f) of section 526 provides for the automatic enforcement of master netting agreements, which means that the agreements are enforceable even if the bankruptcy estate of the party to the agreement goes bankrupt.

Subsection (g) of section 526 provides for the inclusion of certain provisions in master netting agreements, including provisions that allow for the simultaneous enforcement of multiple agreements and provisions that require the counterparties to indemnify each other for losses incurred as a result of the bankruptcy of a party to the agreement. Subsection (h) of section 526 provides for the automatic enforcement of master netting agreements, which means that the agreements are enforceable even if the bankruptcy estate of the party to the agreement goes bankrupt.
clearing agencies, repo participants, and swap participants under Sections 546 and 548(d), except to the extent the trustee could otherwise avoid such a transfer made under an inducement contract covered by such master netting agreement.

Subsections (g), (h), (i), and (j) clarify that the protections afforded in sections 362(b)(6), 555, 556, 559, 560, and 561 is in addition to the swap agreements and master netting agreements 555, 556, 559, 560 and 561, it is intended as certain other netting arrangements.

Subsection (k) adds a new section 561 to the Bankruptcy Code to protect the contractual right of a master netting agreement party to exercise rights of termination, liquidation, acceleration, offset or netting under a master netting agreement. Such rights include rights arising (i) from the rights of a derivatives clearing organization, multilateral clearing organization, securitization, security association, contract market, derivatives transaction execution, or clearinghouse; (ii) on account of a transaction or offset (other than under common law, a common law, or by reason of normal business practice. This reflects the current treatment of rights under swap agreements section 560 of the Bankruptcy Code. Similar changes to reflect the enactment of the SIA have been made in the definition of “contractual right” for purposes of Sections 555, 556, 559, and 560 of the Bankruptcy Code.

Subsections (b)(2)(A) and (b)(2)(B) of new Section 561 limit the exercise of contractual rights to net or to offset obligations where the debtor is a commodity broker and one leg of a contract or agreement relates to commodity contracts traded on or subject to the rules of a contract market designated under the Commodity Exchange Act or a derivatives transaction execution facility registered under the Commodity Exchange Act. Under subsection (b)(2)(A) netting or offsetting is not permitted in these circumstances if the party seeking to net or to offset has no positive net equity in the commodity accounts at the debtor. Subsection (b)(2)(B) applies only if the debtor is a commodity broker acting on behalf of its own customer, and is in turn a customer of another commodity broker. In that case, the latter commodity broker may not net or offset obligations under such commodity contracts with other claims against its customer, the debtor. Subsections (b)(2)(A) and (b)(2)(B) limit the depletion of assets available for distribution to customers of commodity brokers. This is consistent with the principle of subchapter IV of chapter 7 of title 11 that gives priority to customer claims in the bankruptcy of a commodity broker. Subsection (b)(2)(C) provides an exception to subsections (b)(2)(A) and (b)(2)(B) for cross-margining and other similar arrangements, or similar situations, are not and rendered ineffective by the Commodity Futures Trading Commission, as well as certain other netting arrangements.

For the purposes of Bankruptcy Code sections 555, 556, 559, 560 and 561, it is intended that the normal business practice in the event of a debtor’s bankruptcy or insolvency is to terminate, liquidate or accelerate securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements and master netting agreements with the bankrupt or insolvent party.

The protection of netting and offset rights in Section 561 is in addition to the protections afforded in sections 362(b)(6), (b)(7), (b)(17) and (b)(28).

Under the Act, the termination, liquidation or acceleration rights of a master netting agreement participant are subject to limitations contained in other provisions of this Act or a derivatives contract or agreement. In particular, if a securities contract or repurchase agreement is documented under a master netting agreement, liquidation and acceleration rights would be subject to the provisions of the Bankruptcy Code relating to such agreements. In addition, the netting rights of a party to a master netting agreement would be subject to any contractual and legal provisions as well as waiver of netting or set off rights. Similarly, a waiver by a bank or a counterparty of netting or set off rights in connection with QFCs would be enforceable under the FDIA.

Section 502 of the Act clarifies that, with respect to municipal bankruptcies, all the provisions of the Bankruptcy Code relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements and master netting agreements (which by their terms are intended to apply to swap agreements) will apply in any proceeding under the Bankruptcy Code. Section 502 makes a technical amendment in Chapter 9 to clarify the applicability of these provisions.

New Section 561 of the Bankruptcy Code clarifies that the provisions of the Bankruptcy Code related to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements and master netting agreements apply in a proceeding ancillary to a foreign insolvency proceeding.

Subsections (l) and (m) clarify that the exercise of termination and netting rights will not otherwise affect the priority of the creditor’s claim after the exercise of netting, foreclosure and related rights.

Subsection (n) amends section 533 of the Bankruptcy Code to clarify that the acquisition by a creditor of setoff rights in connection with swap agreements, repurchase agreements, securities contracts, forward contracts, commodity contracts and master netting agreements cannot be avoided as a preference.

This subsection also adds setoff of the kinds specified in sections 555, 556, 559 and 561 of the Bankruptcy Code to the types of setoff excepted from section 553(b).

Subsection (o), as well as other subsections of the Act, adds references to “financial participant” in all the provisions of the Bankruptcy Code relating to securities, forward and commodity contracts and repurchase and swap agreements.

Section 908

Section 908 amends section 11(e)(8) of the Federal Deposit Insurance Act to explicitly authorize the FDIC, in consultation with appropriate Federal banking agencies, to prescribe regulations on recordkeeping with respect to QFCs. Adequate recordkeeping for such transactions is essential to effective risk management, to reduce systemic risk permitted by the orderly resolution of depository institutions utilizing QFCs.

Section 909

Section 909 authorizes the FDIC to enter into an agreement for the collateralization of governmental deposits, bankruptcy estate funds, Federal Reserve Bank deposits, or other small business loans, commercial and multifamily mortgages, and car loans, allowing for the funding of such loans from capital market sources. The provisions also increase the pool of capital available and lower financing costs for vital lending purposes such as the financing of small-business operations and homeownership.

The number of definitions designed to ensure that the exclusion from property of the estate applies only to the intended type of asset. The Bankruptcy Code excludes from the property of a debtor’s estate any “eligible asset” (and proceeds thereof) to the extent that such eligible asset was transferred, on or before the date of commencement of the case, to an “eligible entity” in connection
with an “asset-backed securitization.” Each term is explicitly defined to reflect its specific role or application in the securitization process to ensure that only bona fide securitizations are eligible for the safe harbor exclusion. All defined elements of a securitization must be present for the safe harbor to apply. Other commercial transactions, such as documented and structured as collateralized lending arrangements and other commercial asset sales or financings unrelated to asset-backed securitization transactions, would be ineligible for the safe harbor provided by section 541(b)(5).

The phrase “to the extent” in new section 541(b)(5) makes clear that a portion of the eligible asset may remain part of the debtor’s estate where the transfer by the eligible entity obtains the right to receive only interest payments on the first 10 percent of payments due on a receivable in connection with an asset-backed securitization. In addition, the reference to section 548(a) in new section 541(b)(5) will make clear that the safe harbor does not supersede a trustee’s power to avoid fraudulent transfers.

New section 541(b)(5) is not intended to override state law requirements, if any, regarding perfection of an asset sale. However, regardless of strict compliance with such state law requirements, new section 541(b)(5) is intended to provide an exclusion of these eligible assets and proceeds thereof from the debtor’s estate, upon compliance with section 541(b)(5). Thus, despite an eligible entity’s failure to have properly perfected a sale for state law purposes, the eligible assets in question would remain excluded from the debtor’s estate. In such event, however, a third party creditor with a perfected security interest in the eligible assets (or in the debtor’s estate pursuant to the transfer, and then proceeds thereof) from the debtor’s estate, upon compliance with section 541(b)(5). Thus, despite an eligible entity’s failure to have properly perfected a sale for state law purposes, the eligible assets in question would remain excluded from the debtor’s estate. In such event, however, a third party creditor with a perfected security interest in the eligible assets (or in the debtor’s estate pursuant to the transfer, and then proceeds thereof) from the debtor’s estate, upon compliance with section 541(b)(5).

Section 541(e)(2) defines the term “eligible asset.” This definition is based upon the definition provided in rule 3a-7 under the Investment Company Act of 1940, which provides an exemption from registration under the Investment Company Act for issuers of asset-backed securities (i.e., issuers in the business of purchasing, or otherwise acquiring, non-recourse receivables). The phrase “other assets” is intended to cover assets often conveyed in connection with securitization transactions such as letters of credit, credit enhancement, recourse to credit enhancement, and other assets that are provided as additional credit support. This phrase would also cover other assets, such as swaps, hedge agreements, and credit default swaps that protect bondholders against interest rate, currency, and other market risks. The inclusion of cash and securities as eligible assets allows so-called market-value based securitizations of equity and other non-amortizing securities to fall within the purview of the amendment, although securitizations of such securities are not included under Rule 3a-7 and therefore would be subject to regulation under the Investment Company Act if another exemption therefrom were not available.

New section 541(e)(3) and (4) define the terms “eligible entity” and “issuer,” respectively, to include operating companies by encompassing only single purpose entities. Because securitization transactions often involve intermediary transactions, such as entities that either hold an interest in the issuer or any security issued by the issuer or an entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer.

New section 541(e)(5) defines the term “transformed.” In order for the eligible assets to be excluded from the debtor’s estate under section 541, the representative or warrant in a written agreement that such eligible assets were sold, contributed or otherwise conveyed with the intention of removing them from the debtor’s estate pursuant to section 541 (whether or not reference is made to section 541 in the written agreement). The definition makes clear that the debtor’s written intention as to the exclusion of the eligible assets will be honored, regardless of the state law characterization of the transfer as a sale, contribution or other conveyance, as well as any other aspect of the transaction (such as the debtor’s holding an interest in the issuer or any securities issued by the issuer, the ongoing servicing obligations, the tax and accounting characterization; or any recourse to the debtor, whether relating to a breach of a representation, warranty or covenant, or otherwise) which may affect a state law analysis as to the true sale.

Section 513

Subsection (a) provides that the amendments made under Title IIIX take effect on the date of enactment in the Senate and have, and should have, passed the House and been enacted into law last Congress.

Indeed, there is broad support. They could have, and should have, passed the House and been rendered advisable due to transi-

tions in market structure since the President’s Working Group on Financial Markets recommended the original text of Title XIX in 1998.

Mr. OXLEY and I offer are large-

ly technical and are necessitated by en-

actment of the Commodities Exchange Modernization Act during the last Congress.

The amendment also includes some minor substantive changes which have been rendered advisable due to transi-

tions in market structure since the President’s Working Group on Financial Markets as it was constituted in 1998.

Title XIX contains provisions which are of central importance to the stability of our financial system. Their potential importance is magnified in a time of possible economic downturn. There is no opposition to these changes. Indeed, there is broad support. They could have, and should have, passed the House and been rendered advisable due to transitions in market structure since the President’s Working Group on Financial Markets recommended the original text of Title XIX in 1998.

If H.R. 333 again becomes caught up in a long and contentious debate, I will urge that Title XIX be quickly pursued as an independent measure. If there were a major problem with the machinery of the securities system, the country would be hard pressed to resolve it expeditiously and easily without the enactment of these netting provisions. Instability and delay in such a circumstance could prove a catastrophic problem. Our financial system has undergone such fundamental change that existing legal structures are woefully inadequate for handling an emergency—
particularly if they involve new instruments for managing risk and transferring value, such as swaps.

The updating amendments Mr. OXLEY and I are proposing ensure that Title IX will be better tailored for the present and well-integrated with the Commodity Exchange Modernization Act of 2000. This will enable a ready template for translating Title IX into an independent bill should that become necessary.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield back the balance of my time.

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me thank again the chairman of the Committee on the Judiciary, the gentleman from Wisconsin (Mr. SENSENBRENNER), for his leadership on this issue, as well as my colleague, the gentleman from New York (Mr. LaFALCE), and the ranking member of the Committee.

Mr. Chairman, pleased to yield such time as he may consume to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman and by his colleague, the gentleman ranking member, the gentleman from New York (Mr. LaFALCE).

Among other things, the amendment modifies the bill’s so-called netting provisions to conform them to important changes made to Federal law in the Commodity Futures Modernization Act which was signed into law December 21, 2000.

I might point out to my colleagues that the provisions in this amendment were passed by this House in a bipartisan overwhelming vote last year, but they never made it into law. What they do is promote an orderly unwinding of financial contracts in those instances in which one party to a derivative contract becomes insolvent and those contracts go into a bankruptcy proceeding. This avoids that possibility.

We all found out from the long-term capital management situation, and that was 1998, a major hedge fund, what a situation that was. We want to avoid that in the future, tying these contracts up in a long bankruptcy proceeding.

The Commodity Futures Modernization Act made a number of important changes to the regulation of over-the-counter derivatives. The law expressly excluded certain derivative contracts from the Commodity Exchange Act, and allowed for the formation of new clearing entities. The amendment before the House now would update the “financial contracts” definition and the netting provisions to reflect new market developments in the swaps industry and the changes made in the Commodity Futures Modernization Act.

Let me again commend the chairman and the ranking member for bringing this important amendment to the floor today, and I urge my colleagues to support its adoption. If we do not do it, the next time we have a major financial player threatened with insolvency we will find ourselves needing to pass this, and we might as well get ahead of the game.

Mr. OXLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I again thank the chairman of the Subcommittee on Financial Institutions of the Committee on Financial Services for his good work in this area.

Mr. Chairman, in summary, there were some other changes that the President’s working group had requested that are not contained in this amendment, but we will hopefully reserve the right to seek those changes in conference, working very closely with all of the major players in this historic legislation.

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

The CHAIRMAN pro tempore. The text of the amendment is as follows:

Amendment No. 6 offered by Ms. JACKSON-LEE of Texas

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Ms. JACKSON-LEE of Texas:

Page 8, after line 11, insert the following (and make such technical and conforming changes as may be appropriate):

(III) by striking “whose debts are primarily consumer debts”;

Page 10, line 7, strike “the continuation of”;

Page 10, after line 22, insert the following (and make such technical and conforming changes as may be appropriate):

(II) in addition, if the debtor does not have health insurance benefits the debtor’s monthly expenses shall include an allowance to pay for reasonable medical expenses, as circumstances require, not covered by the insurance for the debtor, the dependents of the debtor, and the spouse of the debtor.

Page 10, beginning on line 24, strike “actual administrative expenses” and insert “reasonable expense”.

Page 11, line 1, insert “or public” after “private”;

Page 11, after line 4, insert the following:

(IV) in addition, if the debtor’s monthly expenses shall include expenses necessary for the care of foster children in the custody of the debtor.

Page 11, beginning on line 1, strike “if” and all that follows through “why” on line 3.

Page 12, strike lines 2 through 6, and insert the following:

(B)(i) in any proceeding brought under this subsection, the presumption of abuse may be rebutted by the court finds special circumstances indicating by a preponderance of the evidence that the debtors income should be adjusted to less than the current monthly income, reasonably necessary expenses are greater than those allowed by the Internal Revenue Service guidelines, or that the debtors financial difficulties were caused by circumstances beyond the debtors control including medical problems.

Page 15, after line 3, insert the following:

(v) a debtor whose current monthly income is equal to or less than the Federal Income Poverty Guidelines and has been for the 1-year period prior of the filing of the petition may, in lieu of the requirements of clauses (iv) and (v) of section 521(a)(1)(B) and subsections (e), (f), and (g) of section 521, file with the court within the evidence showing the debtors income for the 1-year period before the date of the filing of the petition be under penalty of perjury that the debtors income meets the test of this clause for that period.

Page 24, line 2, strike “current monthly income” and insert “projected disposable income”.

Page 17, lines 6, 11, and 16, insert “(adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, for each subsequent year during which such median family income is not reported by the Bureau of the Census)” after “Census”.

Page 18, lines 2, 7, and 12, insert “(adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, for each subsequent year during which such median family income is not reported by the Bureau of the Census)” after “Census”.

Page 20, lines 18 and 23, insert “(adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, for each subsequent year during which such median family income is not reported by the Bureau of the Census)” after “Census”.

Page 21, lines 9 and 14, insert “(adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, for each subsequent year during which such median family income is not reported by the Bureau of the Census)” after “Census”.

Page 160, lines 14, 19, and 24, insert “(adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, for each subsequent year during which such median family income is not reported by the Bureau of the Census)” after “Census”.

Page 161, lines 9, 14, and 19, insert “(adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, for each subsequent year during which such median family income is not reported by the Bureau of the Census)” after “Census”.

Page 162, lines 17 and 23, insert “(adjusted to reflect the percentage change in the Consumer Price Index for All Urban Consumers, published by the Department of Labor, for each subsequent year during which such median family income is not reported by the Bureau of the Census)” after “Census”.
(c) such agreement contains a clear and conspicuous statement which advises the debtor that the collection of the debt is to be confirmed is attributable to principal, interest, late fees, creditors attorney fees, expenses or other costs relating to the collection of the debt;

(2) in subsection (c)(6)(B), by inserting "or a debt described in subsection (c)(7)

(c) Definition of Personally Identifiable Information; authority of Federal Trade Commission and State attorneys general

SEC. 308. Personally identifiable information; authority of Federal Trade Commission and State attorneys general

(a) FTC Authority.—The Federal Trade Commission may appear and be heard in any case or proceeding under this title in which personally identifiable information is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3).

(b) Authority of State Attorneys General. —An attorney whose business may appear and be heard in any case or proceeding under this title in which

(i) the attorney general of a State has reason to believe that the personally identifiable information of the residents of that State has been or is threatened or adversely affected; and

(ii) personally identifiable information is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3).

(c) No Affect on Other Authority.—Nothing in this section shall be construed to limit the authority of the Federal Trade Commission to appear and be heard in any case or proceeding—

(1) as a creditor where the Federal Trade Commission or a State asserts a claim against the debtor for violation of a statute within the enforcement jurisdiction of the Federal Trade Commission or the State; or

(2) as a party in interest concerning other matters or issues within the jurisdiction of the Federal Trade Commission or the State. 

(2) Clerical Amendment.—The table of sections for chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 307 the following:

"308. Personally identifiable information; authority of Federal Trade Commission and State attorneys general."

(b) Limitation On Sale, Use, Or Lease Of Certain Personally Identifiable Information.—Section 363(b)(1) of title 11, United States Code, is amended by adding at the end the following:

"(4) in subsection (d)(2)(B) by striking "is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3)."

(3)(A) If the debtor is not an individual, the best interest of the debtor in light of the debtors income and expenses;

(B) not imposing an undue hardship on the debtors future ability to pay for the needs of children and other dependents (including court ordered support);

(C) not requiring the debtor to pay to the creditors attorneys fees, expenses or other costs relating to the collection of debt;

(D) not entered into to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on reposition;

(E) not entered into after coercive threats or actions by the creditor in the creditors course of dealings with the debtor; and

(F) not unfair because excessive in amount based upon the value of the collateral."

(5) in section 308, as added by this Act, the following:

"(1) the attorney general of a State has reason to believe that the personally identifiable information of the residents of that State has been or is threatened or adversely affected; and

(2) personally identifiable information is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3)."

SEC. 605. Protection of Personal Privacy in Bankruptcy Cases

(a) Personal Privacy Protection.—Section 107 of title 11, United States Code, is amended by adding at the end the following:

"(c) Electronic Access. —Except as provided in paragraph (3), the clerk of the bankruptcy court, the United States trustee, and the trustee in a case under this title may provide electronic access to a paper filed in a case under this title, to any of the information contained in a paper filed in such a case, and to the dockets of a bankruptcy court only as permitted in this subsection.

(2) Limitations on Access.—(A) The clerk of the bankruptcy court, the United States trustee, and the trustee in a case under this title may not provide electronic access to:

(i) the debtor's social security number, date of birth, mother's maiden name, tax ID number, social security account number, and any other identifier described in this paragraph and

(ii) any other identifying information relating to that person that permits the physical or electronic contacting or identification of that person, as determined by the bankruptcy court.

(iii) the personal identifying information in effect at the time of the bankruptcy filing of:

(A) any social security account number for which the debtor collects and combines with other information, if applicable;

(B) a home or other physical address for that person, including street name and name of town; and

(C) an e-mail address for that person;

(D) a telephone number for that person;

(E) a social security account number for that person;

(F) a bank account number for that person;

(G) a birth date, birth certificate number, or other document proving birth or adoptions, assumed, or legally changed;

(H) information concerning that person that the debtor collects and combines with any other identifier described in this paragraph;

(2) as a party in interest concerning other matters or issues within the jurisdiction of the Federal Trade Commission or the State."

(b) Limitation On Sale, Use, Or Lease Of Certain Personally Identifiable Information.—Section 363(b)(1) of title 11, United States Code, is amended by inserting after the item relating to section 307 the following:

"(4) in subsection (d)(2)(B) by striking "is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3)."

(3)(A) If the debtor is an individual, the best interest of the debtor in light of the debtors income and expenses;

(B) not imposing an undue hardship on the debtors future ability to pay for the needs of children and other dependents (including court ordered support);

(C) not requiring the debtor to pay to the creditors attorneys fees, expenses or other costs relating to the collection of debt;

(D) not entered into to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on reposition;

(E) not entered into after coercive threats or actions by the creditor in the creditors course of dealings with the debtor; and

(F) not unfair because excessive in amount based upon the value of the collateral.

(5) in section 308, as added by this Act, the following:

"(1) the attorney general of a State has reason to believe that the personally identifiable information of the residents of that State has been or is threatened or adversely affected; and

(2) personally identifiable information is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3)."

(3) Definition of Personally Identifiable Information; authority of Federal Trade Commission and State attorneys general

SEC. 308. Personally identifiable information; authority of Federal Trade Commission and State attorneys general

(a) FTC Authority.—The Federal Trade Commission may appear and be heard in any case or proceeding under this title in which personally identifiable information is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3).

(b) Authority of State Attorneys General. —An attorney whose business may appear and be heard in any case or proceeding under this title in which

(i) the attorney general of a State has reason to believe that the personally identifiable information of the residents of that State has been or is threatened or adversely affected; and

(ii) personally identifiable information is, or is proposed to be, used, sold, leased, or otherwise disclosed in violation of section 368(b)(3)."

(c) No Affect on Other Authority.—Nothing in this section shall be construed to limit the authority of the Federal Trade Commission to appear and be heard in any case or proceeding—

(1) as a creditor where the Federal Trade Commission or a State asserts a claim against the debtor for violation of a statute within the enforcement jurisdiction of the Federal Trade Commission or the State; or

(2) as a party in interest concerning other matters or issues within the jurisdiction of the Federal Trade Commission or the State. 

(iii) the privacy policy of the purchaser, lessee, or other recipient of the information, if applicable;

(iv) the right of that person to choose not to have the information used or transferred, and an opportunity to choose not to have the information used or transferred."

(3) The bankruptcy court, after notice to all parties in interest and the Federal Trade Commission and hearing—

(i) shall establish mechanisms for providing clear and conspicuous notice and choice referred to in subparagraph (B); and

(ii) may take reasonable measures to the specific circumstances of a case, as determined by the bankruptcy court.

"(c) Definition of Personally Identifiable Information.—Section 107 of title 11, United States Code, is amended by inserting after paragraph (41) the following:

(41A) 'personally identifiable information' means, with respect to the person to whom the information relates—

(A) a name, initials, and last name of that person, whether given at birth or adoption, assumed, or legally changed;

(B) a home or other physical address for that person, including street name and name of town;

(C) an e-mail address for that person;

(D) a telephone number for that person;

(E) a social security account number for that person;
paragraph (3) shall, as a condition to obtaining electronic access to any of the information listed in paragraph (2), certify, in writing or in electronic form, to the clerk of the bankruptcy court, the United States trustee, or the trustee in the case, as the case may be, that the party or entity—

(A) properly qualifies for electronic access to the information under paragraph (3); and

(B) will use the information obtained through electronic access only for the purpose of—

(i) participating or determining whether to participate in the case;

(ii) the entity's own internal credit evaluation of the debtor or

(iii) providing the information to a governmental unit for a bona fide law enforcement purpose;

(C) will use reasonable means to secure the information obtained from unauthorized access and disclosure; and

(D) will comply with the requirements of paragraph (6).

(5) MAINTENANCE OF RECORDS.—The clerk of the bankruptcy court, the United States trustee, or the trustee in the case, as the case may be, shall maintain a record of, and provide to the clerk of the bankruptcy court, the United States trustee, or the trustee in the case or the administration of the bankruptcy court, any such information concerning an individual debtor only in connection with the administration of the bankruptcy case or the administration of the bankruptcy estate.

(6) DUTIES OF RECIPIENT.—(A) may use the information concerning an individual debtor only in connection with the administration of the bankruptcy case or the administration of the bankruptcy estate.

(B) may not provide electronic access to the information obtained from unauthorized access to the information contained in the records of the bankruptcy court.

(C) is liable to the debtor for any actual damages; and

(D) will pay any such damages, or may provide such other compensation as may be appropriate.

(7) LIABILITY.—A party or entity that is required to make the certification required under paragraph (4), that obtains electronic access to the information, and that does not provide or does not comply with the certification is liable to the debtor for—

(A) any actual damages; and

(B) $500 per violation; and

(C) any other costs, fees, and expenses, if the violation is willful or part of a pattern or practice of violations of this subsection.

(8) USE BY OFFICIAL RECIPIENTS.—An entity that is a party to a proceeding under the Bankruptcy Code may ensure the confidentiality of information obtained from a certificate of authorization in connection with carrying out the official duties of that entity in connection with the administration of the case or the administration of the bankruptcy system in general; and

(B) may not provide electronic access to any such information concerning an individual debtor, except in accordance with the provisions of the subsection.

(9) ACCESS TO STATISTICAL INFORMATION.—The clerk of the bankruptcy court may provide electronic access to statistical information concerning particular cases without regard to the restrictions of this subsection, but only if the information does not include any means of identification of any particular case (including any information concerning an individual debtor’s name, social security number, date of birth, mother’s maiden name, telephone number, address, or account numbers (including bank account, credit card account, or internet account numbers)), and such access is for a bona fide non-statistical purpose.

(10) DEFINITION.—For purposes of this subsection, ‘electronic access’ means access through electronic means, such as through a computer terminal, telephone, database, or to court or other electronic records, without human intervention.

(11) APPLICABILITY TO INDIVIDUALS.—This subsection applies only in a case in which the debtor is an individual.

(b) CONFORMING AMENDMENT.—Section 107(a) of the United States Code, as amended by striking subsection (b) and inserting "subsections (b) and (c)", is amended by—

(1) by inserting "GENERAL ACCESS.—" after 

(2) and by inserting "PROTECTED MATTER.—" after 

(3) and by amending subsection (b) as follows:

"(4)(A) For purposes of paragraph (1)(B), the term ‘household goods’ includes tangible personal property normally found in or around a residence, but does not include motorized vehicles used for transportation purposes.

"(b) C ONFORMING AMENDMENT. Sec. 430. Clarification of Postpetition Wages and Benefits.

Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:—

"(A) The actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case to individuals awarded as backpay and benefits attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal or State law, or the commencement of bankruptcy proceedings, that occurred or to whether any services were rendered.

"(b) EFFECTIVE DATE. This section applies to cases commencing on or after the date of the enactment of this Act.

(12) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(13) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(14) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(15) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(16) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(17) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(18) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(19) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.

(20) where a proof of claim is filed on behalf of employees or retirees of the debtor by a labor organization serving as the collective bargaining representative of such employees or retirees, the debtor shall, for the purpose of facilitating the location of, and distribution to the employees and retirees of the allowed amount of the claim, provide to such labor organization a complete list of such employees or retirees and their current addresses as listed on the books and records of the debtor, and such other information as may reasonably be requested for the purpose of aiding in the claims distribution.
may reasonably be requested for the purpose of aiding in the distribution of allowed claims to such employees or retirees; and

(14) assume the obligations of the debtor to workers, and pay withholding taxes to the appropriate taxing authority with respect to the distribution of allowed claims for employee compensation and prepare and submit reports and returns required by such authorities.

(c) CHAPTER 11.—Section 1106(a)(1) of title 11, United States Code, is amended to read as follows:

"(1) perform the duties of the trustee as specified in section 70(h)(2), (5), (7), (8), (9), (10), (11), and (12);"

(d) OFFICIAL FORM.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for the approval of the Official Bankruptcy Form to be used to file a proof of multiple claim for wages owed to employees of the debtor.

Page 358, after line 18, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 1004. EXPANDED DEFINITION OF FAMILY FARMS.

Section 101(18) of title 11, United States Code, is amended to read as follows:

"(1) perform the duties of the trustee as specified in section 70(h)(2), (5), (7), (8), (9), (10), (11), and (12);"

(2) by striking "$5,000,000" and inserting "$3,000,000";

(3) by striking "80" and inserting "65"; and

(b) LIMITATION ON EXEMPT PROPERTY.—Section 522(c)(4) of title 11, United States Code, as added by section 4 of the College Scholarship Fraud Prevention Act of 2000 (Public Law 106–420) is amended—

(1) by striking "obtaining or providing of" and inserting "the obtaining of, the offering of assistance in obtaining;" and

(2) by striking "base offense level for most represented inserting "enhanced penalties provided for in the Federal sentencing guidelines for an offense involving fraud or misrepresentation";

(a) SENTENCING ENHANCEMENT GUIDELINES.—Section 3 of the College Scholarship Fraud Prevention Act of 2000 (Public Law 106–420) is amended—

(b) by inserting a new subsection (d) consisting of paragraphs (1) and (2):—

(c) C HAPTER 11.

The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for the approval of the Official Bankruptcy Form to be used to file a proof of multiple claim for wages owed to employees of the debtor.

Page 358, after line 18, insert the following (and make such technical and conforming changes as may be appropriate):

SEC. 1204. TECHNICAL CORRECTIONS TO THE COLLEGE SCHOLARSHIP FRAUD PREVENTION ACT OF 2000.

(a) SENTENCING ENHANCEMENT GUIDELINES.—Section 3 of the College Scholarship Fraud Prevention Act of 2000 (Public Law 106–420) is amended—

(1) by striking "obtaining or providing of" and inserting "the obtaining of, the offering of assistance in obtaining;" and

(2) by striking "base offense level for most represented inserting "enhanced penalties provided for in the Federal sentencing guidelines for an offense involving fraud or misrepresentation";

(b) LIMITATION ON EXEMPT PROPERTY.—Section 522(c)(4) of title 11, United States Code, as added by section 4 of the College Scholarship Fraud Prevention Act of 2000 (Public Law 106–420) is amended—

"(1) EFFECTIVE DATE.—Except as provided in paragraph (2), this section and the amendments made by this section shall take effect on November 1, 2000.

(2) APPLICATION OF SECTION 522(c)(4) OF TITLE 11, UNITED STATES CODE.—Section 522(c)(4) of title 11, United States Code, as added by section 4 of the College Scholarship Fraud Prevention Act of 2000 (Public Law 106–420) and as amended by subsection (b) of this section, shall apply to the expenses of a case commenced under title 11, United States Code, on or after November 1, 2000.

Beginning on page 419, strike lines 5 through 23 (and make such technical and conforming changes as may be appropriate).

The CHAIRMAN pro tempore. Pursuant to House Resolution 71, the gentlewoman from Texas (Ms. JACKSON-LEE) and the gentleman from New Jersey (Mr. SENSENBIHNER) each will control 30 minutes.

The Chair recognizes the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Democratic substitute makes a number of technical improvements to this bill. It modifies some of the most onerous provisions on lower-income debtors and struggling businesses. We had hoped that most of these amendments could have been accepted by the committee during the committee markup on the bill. However, the majority have objected to each and every amendment that we were able to offer, no matter how obvious, technical, or noncontroversial.

I think, as the ranking member began his remarks, the gentleman from Michigan (Mr. CONYERS), we noted that this bill has moved at a very fast and very unmeasured speed, so the collaborative efforts have fallen short.

We would like our colleagues would join us in understanding some of the sensitivities that we are trying to express that H.R. 333 needs to correct; the recognition, of course, of catastrophic illnesses and how it impacts those who file for bankruptcy; how those who are senior citizens fall upon hard times and need to file for bankruptcy; how women and children are negatively impacted and have to file for bankruptcy as it relates to alimony and support of the particular debtor; that they are not receiving their alimony and child support and cannot do so, and it leads to catastrophic events in their lives.

If they realize, as well, or if the authors of the bill recognize that there are some indications that our economy has some weaknesses; this would be the absolute worst time not to enhance legislation, of course, and to begin to acknowledge that in fact some of the provisions of this bill actually close or open bankruptcy; how the business community has some indications that our economy is one that changes precipitously, as we have noted over the last couple of weeks, days, and months, which means that under this bill, in its current form, a debtor in 2009 would not pass the means test if her monthly income falls below the median income from 2000.

How ridiculous. How much of a differential would that debtor be placed in? All that our provision says is that those census figures should be adjusted periodically by Consumer Price Index updates.

The last position in our amendment that I am going to address is intended to respond to the arbitrary nature of the business bankruptcy provisions. The bill imposes all kind of bright line rules and firm deadlines on businesses seeking to reorganize. We would think that at this time in America’s uncertainty, we would want to be doing all that we can to ensure that Americans keep their jobs. We know some are losing them as we speak, but the business bankruptcy provisions do just the opposite. If a small business cannot complete its Chapter 11 reorganization plan under the bill’s draconian timetable, then the business will be forced to liquidate.

Let me say to the thousands and millions of small businesses and medium-sized businesses, and maybe even large businesses all over America, they should be listening. We have not heard from them as to their understanding after the date that the bankruptcy petition was filed.

The ability to claim medical costs as an expense under the means test should not turn on whether the condition occurred before the petition has been filed. One is still sick even if they have filed.

Second, our amendment seeks to correct an oversight in the bill that would directly impact on children. Although the bill allows parents to list the costs of caring for their dependent children as a monthly expense, the costs of caring for foster children are not included.

Parents who volunteer to become foster parents should not have a harder time making ends meet during a bankruptcy than biological parents.

Interestingly enough, Mr. Chairman, I work with foster parents in Harris County in Texas. In fact, we work to solicit, recruit foster parents to provide sort of an interlude for foster parents who never get vacations, sort of say to them that we thank them.

I can assure the Members that this is a real aspect of this bill that need to be corrected. It goes without saying that we should not be passing laws in this Congress that penalize children who have to be in foster homes and, as well, the loving foster parents.

Third, our amendment seeks to correct obvious shortcomings in the bill. For example, the bill says that for purposes of the means test, median income is based upon Census Bureau figures. As we all know, the census only occurs once every 10 years, and obviously the economy is one that changes precipitously, as we have noted over the last couple of weeks, days, and months, which means that under this bill, in its current form, a debtor in 2009 would not pass the means test if her monthly income falls below the median income from 2000.

How ridiculous. How much of a differential would that debtor be placed in? All that our provision says is that those census figures should be adjusted periodically by Consumer Price Index updates.
that what I have just said is that their doors will be closing, even if a delay is caused through no fault of the small business, such as when the reorganization is delayed pending the completion of a regulatory proceeding. We are slamming the doors shut on business all over America, and we are putting people on the streets without jobs.

Under this important amendment, low-income people will have a more flexible standard (that is consistent with that of high-income people) that would allow the debtor to have a fair opportunity to financial recourse, which is not possible under the legislation as written. I think such a change in the standard would be warmly welcomed for middle-income and low-income filers.

The Democratic Substitute would also address one of the real flaws of H.R. 333, the means test approach as it relates to business debtors. It is well known that business debtors enjoy considerable favorable treatment under the means test when compared to non-business debtors under H.R. 333.

H.R. 333’s means-testing, regrettably, is known to be arbitrary and unworkable in practice. A one-size fits-all test will simply hurt low and middle-income filers disproportionately. Accordingly, the Democratic Substitute would ensure that business debtors are treated as favorably as non-business debtors within the framework of the means-testing standard contained in the bill by essentially expanding the means-test to apply to business debts.

Let me explain a few of the glaring difficulties with treatment of business debtors under H.R. 333. First, the bill relies upon IRS collection standards, which lay out no comprehensive standard of deduction of business expenses and living expenses. In fact, the bill even fails to provide specific guidance concerning the appropriateness of deducting part or all of the funds a debtor may expend for items such as health care (both medical expenses and premiums), government insured loans and loans from non-business debtors by providing safeguards so that debtors are made aware of exactly what debts they are agreeing to repay, whether they are secured or unsecured, and provides an opportunity for the court to determine whether the repayment is in the debtor’s best interest and would eliminate the provision in the bill that expands the exception to discharge for student loans to cover a wide range of student loans, not just government insured loans and loans from nonprofit organizations.

Mr. Chairman, we can not risk the creation of a “two-tier” credit system in this country that generally ignores the interests of individuals at lower income levels. The significant problems that are present within H.R. 333 will be exacerbated if you amend the Democratic Substitute to be debated on the floor. We must press forward and work together to find the best way to accomplish these goals for the greater benefit of all of the parties involved in this process.

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

Mr. SENSENBRINNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to this substitute offered by the gentlewoman from Texas (Ms. JACKSON-LEE), my colleague, and others. This amendment is problematic for several very important reasons.

First, it eviscerates more than 3 years of careful consideration, analysis, negotiation and compromise embodied in H.R. 333’s needs-based reforms.

For example, one provision of this amendment completely rewrites the standard for overcoming the presumption of abuse in cases where debtors have the ability to pay debts. Although I did not participate in the negotiations that transpired between the
House and the Senate last year, I am informed that H.R. 333’s provisions are the product of intense analysis and exhaustive negotiation.

Second, the substitute amendment introduces truly novel concepts that have, to my knowledge, not been the subject of any oversight hearing by the House Committee on the Judiciary. These provisions, although perhaps well-intentioned, attempt to address various privacy issues perceived to be present in the bankruptcy system. Under current law, most information filed in connection with a bankruptcy case is available to the public. Both the Justice Department and the Judicial Conference of the United States, however, have recently begun to consider whether unlimited public access to such information through the Internet and other electronic means should somehow be restricted.

Nevertheless, the substitute imposes a broad array of restrictions and requirements with regard to this matter and provides for the award of punitive damages for their violation under certain circumstances. Rather than slip these substantive provisions in in an amendment filed on the eve of floor consideration of this bill, they should be the subject of an oversight hearing where they can be aired in the light of day and the public should be given an opportunity to be heard.

Third, this amendment attempts to include in the bill amendments that were roundly defeated during the Committee on the Judiciary’s markup of H.R. 333 last month.

Out of 18 amendments considered during the markup, the bill was reported with only one modest amendment making minor technical and conforming revisions.

The bill as reported clearly reflects the considered judgment of the Committee on the Judiciary that H.R. 333 is the product of an exhaustive and mandatory process, as well as extensive negotiation, and does not need to be further amended.

Accordingly, I urge my colleagues to oppose this substitute amendment.

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

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Democratic substitute is an effort to make a number of improvements to the bill and to modify and take the sting out of some of the most onerous provisions on lower income debtors and struggling small businesses.

We had hoped that some of these, if not even most of the amendments, would be accepted by the bill’s supporters during the markup in the Committee on the Judiciary, but they have been all with great regularity rejected, and every amendment that we were able to offer was technical. No matter what happened, we were not able to get our message through.

While the provisions in the amendment are too numerous to describe here, a few details illustrate the fact that we have a clarification of the deductibility of health care costs from the means tests.

We correct an oversight in the bill that would directly impact on children, which is the cost of caring for their dependent children as a monthly expense, but the costs of caring for foster children are not included at all.

Parents who voluntary become foster parents will have a harder time making ends meet during bankruptcy than biological parents. Obviously, we do not think this was intended by even the Members of the House Committee on the Judiciary, and we wanted to correct it.

We have other shortcomings that are dealt with. The bill says that for purposes of a means test, the medium income is based on Census figures, but that only occurs every 10 years. We need something a little more periodically adjustable, for example, by Consumer Price Index updates.

Finally, the arbitrary nature of business banking provisions seems to be in order. A small business cannot complete its chapter 11 reorganization plan under the bill’s very, very tough timetable. We have asked that we have a little bit more flexibility in that area.

Small businesses are the places where more jobs are created in this country than anywhere else, and so it is very important that these and other mentioned remedies and corrections be included, which have been previously mentioned.

I am hoping that the substitute amendment offered by myself and several of our colleagues would be accepted by the majority of the Members in the House.

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

Mr. SENSENBRENNER. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania (Mr. GEKAS).

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

Mr. GEKAS. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. SENSENBRENNER) for yielding the time to me, and I rise in opposition to the substitute.

Mr. Chairman, I was going to suggest a question of the gentleman from Michigan (Mr. CONYERS), does the substitute include the recommendations for a change in homestead exemption?

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from Michigan.

Mr. CONYERS. No, sir, it does not.

Mr. GEKAS. Mr. Chairman, then I will skip that part of the argument.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. GEKAS. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I appreciate the gentleman from Pennsylvania (Mr. GEKAS) yielding to me.

Mr. Chairman, I was going to suggest to the gentleman that he skip the first part of the argument, too, because this amendment does not do anything about the priorities. I was wondering whether he would be debating another amendment possibly.

Mr. GEKAS. Mr. Chairman, I want to thank the gentleman from North Carolina (Mr. WATT) for setting me right on that.

Mr. Chairman, the point is that the substitute wrecks bankruptcy reform. What I am trying to get across, and what I hope is the message to all the
Mr. Chairman, I ask that we vote on the request of the gentleman from North Carolina?

There was no objection.

Mr. WATT of North Carolina. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I want to say that it is very magnanimous of the gentleman from Pennsylvania (Mr. GEKAS) to say that they are following a set of recommendations that were put forward by the Commission. This actually is the first time that we are following recommendations of that Commission, and nothing in this bill really follows the recommendations of the Commission.

Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT. Mr. Chairman, I thank the gentleman from North Carolina (Mr. WATT) for yielding the time to me.

Mr. Chairman, I rise to speak in support of the amendment, which would add several improvements to H.R. 333. While the proponents of the underlying legislation say this as a compromised bill, the approach in this bill is, in fact, a significant departure from well-established sound principles and procedures designed to protect consumers. It eliminates the tradition of a fresh start for the debtor who are calling in cash all of their chips to get the fresh start.

The underlying bill prevents most Americans from getting access to that fresh start and creates more people in our communities who will be financially desperate with nothing to lose.

There are several amendments that I would like to speak to in the substitute. One, the underlying bill directs the debtor to pay all that they can after food and rent towards their debts. In calculating what they can pay, it is only reasonable that we base the determination on the actual monthly income.

The underlying bill, however, counts all of your income for the last 6 months to determine what your average monthly income is, and that could include money that we received from a job that we have lost, money from an inheritance, or a gift, or an automobile accident settlement, things that are not going to be there. The court ought to have the opportunity to adjust your income to fit actual reality.

This amendment would allow the court to disregard one-time non-recurring funds. Take into consideration the fact that you lost the job, and that is what you put you into financial distress to begin with.

Second, the amendment deals with illnesses for family members. The underlying bill allows you to consider ongoing expenses involved in illnesses or disabilities of family members, but it does not recognize new illnesses that may come about during the next 5 years. The amendment would allow those to be considered, too.

Another amendment prevents landlords from evicting tenants pending bankruptcy. The tradition of bankruptcy is that tenants have a stay of all proceedings and they have an opportunity to work out some arrangement so that they can stay in their house.

This underlying bill allows for immediate eviction. This would retain the tradition of automatic stay.

Mr. Chairman, administrative expenses may make a bad bill a little better. Mr. WATT of North Carolina. Mr. Chairman, another amendment would deal with the assumption under the private school expenses. The underlying bill says private school expenses are paid if documentation and an explanation is provided. It does not say that the documentation is meaningful. A ridiculous explanation could be given. The amendment says that the trustee would determine whether expenses are reasonable and necessary, not whether an explanation was provided.

Mr. Chairman, these are just some of the much-needed changes. It will not fix the bill totally, but it would at least make a bad bill a little better.

Mr. SENSENBRENNER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Virginia (Mr. MORAN).

(Mr. MORAN of Virginia asked and was given permission to revise and extend his remarks.)

Mr. MORAN of Virginia. Mr. Chairman, this is not a perfect bill, the underlying bill; but I think it is an important bill to pass. It is a bill that received the overwhelming bipartisan support of this House and of the Senate last year. Last year, because this bill is almost identical, it is relevant to recognize 96 Democrats voted for this bill last year. That is bipartisan. The reason that they recognized that the American public wants a fair system. They want people to be able to get a new fresh start. They do not want a system that lends itself to abuse. That is basically the problem that we face today.

Mr. Chairman, back in 1980 there were only about 300,000 people who filed for bankruptcy. In 1998, 1.4 million people filed for bankruptcy. That is an enormous number. Something is wrong that we have in a society that has become too easy to wipe out your debts. What is particularly galling is that this cost does not go away. It is not just limited to the bankruptcy court. We all pay for it. The American family today pays about $400 more per year to cover the cost of these bankruptcies. That is $400 that families who are paying their bills get stuck with that they ought not to. Approximately 100,000 people file for bankruptcy a year who could in fact pay off their debt, but they are avoiding about $1 billion annually of debt that they could pay off that they do not because the system has not been fixed. That is what this bill would do. It would fix it. It is a needs-based bankruptcy plan.

Mr. Chairman, I have to tell my colleagues when there is a bill that is able to put child support and spousal support ahead of lawyer’s fees, you had better get it passed immediately because once the trial lawyers find out that it is even ahead of lawyer’s fees I do not know how long it will last, but we ought to do it.

We have a debtor’s bill of rights here that addresses a number of the problems that we have had in terms of credit cards. Some people are taking these credit cards in, they sign up, they max it out whatever they can charge. They pile debt up, and then they get themselves relieved from paying off their debt; and oftentimes they can go right back to doing it all over again. It needs to be fixed.

Mr. Chairman, this bill is a good, balanced, bipartisan bill to fix it. I think we ought to vote for the underlying bill.

Mr. WATT of North Carolina. Mr. Chairman, would the Chair advise us of the time remaining on both sides.

The CHAIRMAN pro tempore (Mr. HOOD). The gentleman from North Carolina (Mr. WATT) has 15 minutes remaining; the gentleman from Wisconsin (Mr. SENSENBRENNER) has 20 minutes remaining. The gentleman from Wisconsin has the right to close.

Mr. WATT of North Carolina. Mr. Chairman, I yield 3 minutes to the gentleman from California (Ms. WATERS), a member of the committee.

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

Ms. WATERS. Ms. WATERS. Mr. Chairman, I would like to address some strong problems and concerns I have with the proposed legislation. As a whole, the general consensus has been to overhaul the Bankruptcy Code. However, H.R. 333 does so at the expense of consumers and small businesses. It is overly harsh on the honest but unfortunate debtor.

I tried to introduce an amendment which would prevent landlords from being able to evict domestic violence victims, elderly persons on limited income, and single parents with minor children on limited income without going through the bankruptcy court. The protection already exists under current law, but is absolutely removed by H.R. 333. I was not successful with that amendment.
Mr. Chairman, the Democratic substitute amendment which seeks to correct the most glaring problems with H.R. 333 deserves support, and I am here today to try to make a bad bill just a little bit better. The fifth provision of the Democratic substitute, for example, would allow debtors to exclude up to $1,500 for expenses for a child’s schooling, whether those expenses are for public or private school. The proposed legislation only allows for expenses from private school. This discriminates against low-income debtors and has no logical rationale. I understand the gentlewoman from Texas (Ms. JACKSON-LEE) has taken this up. We have had two attempts to correct this in the bill.

Provision 12 of the Democratic substitute deals with reaffirmations. It would discourage creditors from entering into abusive reaffirmation agreements with debtors. H.R. 333 purports to protect women and children. However, when debtors enter into reaffirmation agreements, they are increasing the number of debts they must pay. Each time another debt is added to the list, it becomes more and more unlikely that child support and alimony will be paid. It does not matter that domestic support obligations are given first priority under this bill. Women and children do not have the resources to defend their rights over the rights of creditors and companies. We should not ignore the fact that numerous women and children’s organizations have spoken out in strong opposition to this bill.

Mr. Chairman, the Democratic substitute would provide an opportunity for court review of proposed reaffirmations, an essential measure to protect from abusive reaffirmations. The Democratic substitute also addresses problems with medical expenses and health insurance premiums; exempts debtors who fall below the poverty line from burdensome reporting requirements, and ensures that governmental education loans are not placed in competition with higher-interest rate loans from private institutions. Passage of this amendment is crucial if we are to avoid a crisis in the bankruptcy system.

We must not pass a bill merely because the time is right. We must pass a bill when the bill is right.

Mr. SENSENBRENNER. Mr. Chairman, I yield 5 minutes to the other gentleman, for example, gentlemen from Virginia (Mr. GOODLATTE). Mr. GOODLATTE. Mr. Chairman, I thank my chairman for yielding me this time.

Mr. Chairman, I rise today in strong support of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act. This compromise, worked out be-
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Mr. Chairman, bankruptcy should remain available to the folks who truly need it. But those who can afford to repay their debts should not be able to stick other folks with the tab. Enactment of this carefully crafted legislation will send a big signal toward those who would abuse our bankruptcy system that the free ride is over.

I want to commend the gentleman from Wisconsin (Mr. SENSENBRENNER), the chairman of the Committee on the Judiciary, for moving this important legislation quickly to the floor, as well as the gentleman from Pennsylvania (Mr. GEKAS) for his outstanding work on this issue.

I urge my colleagues to support this fair and reasonable bill and to oppose the Democratic substitute.

Mr. WATT of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, this is the wrong bill at the wrong time. It is driven, not by the public interest, it is driven by lobbyists primarily for the creditor industry that exists and walks the halls of the Capitol and has for years and years.

Most individuals who go into bankruptcy go there because they have lost a job, they have accumulated huge medical costs; they have been through a divorce, etcetera, and for another major reason, because of the predatory practices of the credit industry; predatory practices with respect to the purchase and mortgage of one's home or a home equity loan; predatory practices with respect to the car that one buys or leases; predatory practices with respect to the credit card that one uses for almost everything in life today; predatory practices even with respect to one's virtual identity, the most personal information about oneself.

This Congress, for 6 years now, has not done a single thing about those predatory practices, has not even looked at them in hearings, refuses to take them up on the floor of the House, refuses to make amendments in order to rectify them; and yet our colleagues have come before us with the bill basically drafted by the credit card industry.

I called some friends of mine, referees in bankruptcy and asked them what they thought of the bill before us. Terrible bill; some friends of mine, attorneys for major lending institutions specializing in one issue and one issue only, bankruptcy; and I asked them what they thought of it. They said, terrible.

The time today in the House will pass, it will probably go before President Bush for his signature; but it is a terrible bill. And what is even more terrible is that my Republican colleagues have not even attempted to deal with the real problems that exist in the real world, the predatory practices of the credit industry.

Mr. WATT of North Carolina. Mr. Chairman, I yield 3/2 minutes to the gentleman from Massachusetts (Mr. DELAHUNT), senior member of the Committee on the Judiciary.

Mr. DELAHUNT. Mr. Chairman, I thank the gentleman for yielding me this time.

I keep hearing from the proponents of this legislation that the benefits of this bill will flow to the American people. Well, if they believe that, I have a bridge that I want to sell them.

At one of our subcommittee hearings on this legislation last year I asked each of the panelists, and there were nine, whether the bill would result in lower interest rates to consumers. Every single one of them admitted probably not. Well, I appreciated their honesty, and I am sure there is ample empirical evidence, hard evidence, to suggest that consumers will not benefit at all by this bill.

The American people should know that in 1996, a Harvard University study pointed out that between 1980 and 1982 the Federal Reserve rates fell from 13.4 percent to 3.5 percent, a drop of nearly 10 percentage points. The average credit card interest rates went the other way. It rose from nearly 17.3 percent to 17.9 percent. The bottom line, the credit card industry will be the only beneficiary of this proposal, and to suggest otherwise does not hold water.

So if my colleagues' concern is about credit card company profits, by all means vote for this bill. Be assured, however, if there is a concern that these companies are doing very well, if there are any doubts, pick up a copy of the January 26, 2001, edition of USA Today. The headline reads, and I am quoting, "Adding fees, new ones, raising old ones, and credit card profits are soaring." Credit card industry profit rose to a 5-year high last year. In fact, credit cards are one of the most profitable businesses in banking, according to a CEO in a consulting firm that advises credit card issuers.

The American people should also know that as profits rose, several major credit card issuers, including Chase and Providian, agreed to pay millions to settle complaints related to unfair late fees and other practices. And just this past week in Business Week, that liberal, liberal magazine, an article reflects how MBNA not only provided substantial contributions to both parties and to individual Members, but the MBNA credit card, which I understand is the third largest in the country, recently paid about $8 million for unfair practices and deceptive advertising.

So given that the credit card companies were the chief beneficiaries of this public subsidy, because that is exactly what it is, exactly what it is, it seems to me there ought to be at least a quid pro quo. Let us require responsible corporate behavior and continue the decline that we have witnessed over the past 2 years in bankruptcy filings, the 170,000 fewer in 2000 than existed in 1998; and let us support the substitute of Mr. SENSENBRENNER. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, the time has come for bankruptcy reform. This will be the third time that Congress has passed a bankruptcy reform bill in order to get this done.

Our bankruptcy laws do play an important and necessary role in protecting Americans who really need them, and that is the key. That should be the key: need. And this bill makes the existing bankruptcy system a needs-based system addressing the flaw in the current system that encourages people to file for bankruptcy and walk away from their debts regardless of whether they are able to repay any portion of what they owe. It does this while protecting those who truly need protection. They are exempted under the bill.

The cost to all of us in terms of what is going on in these filings is great. This is a cost borne not only by the business community and the property owners but by the consumers who pay their bills responsibly. By some estimates, it takes 33 responsible consumers to pay for just one bankruptcy of convenience.

Mr. WATT of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Chairman, I thank the gentleman for yielding me this time. I also thank the gentleman from Michigan (Mr. COYNE) and the gentleman from New York (Mr. NADLER), as well as their staffs, for including language on an amendment that I submitted on health care to this bill.

We have heard for some time now supporters of this bill urging us to believe that we face a bankruptcy fraud epidemic, with an exponentially increasing number of debtors who, but for the fact they are in bankruptcy, otherwise would pay their debts. Instead we find out, as one study says, that some 3.6 percent of chapter 7 debtors would hardly be able to pay any more of their bills if bankruptcy were not an option. That hardly constitutes a bankruptcy fraud epidemic, as advocates of the bill claim. More often, filing for bankruptcy is not a way out for people, but a way of more relief for common people trapped in unfortunate, and sometimes dire, circumstances.

Among the many egregious shortcomings of this particular bill is the inclusion of a definitive provision to allow the credit card industry to pay an fee for medical expenses whether a debtor does or does not have health insurance coverage. Certainly we all share the goal...
of ensuring that the bankruptcy system is not used as a shield for irresponsible spending decisions. But debt repayment should not preempt reasonable and necessary medical expenses. Currently, H.R. 333 in fact does that.

The best case for the substitute would allow debtors to cover reasonable medical expenses in the event of bankruptcy. Without this amendment, this protection is not guaranteed. The IRS guidelines that form the basis for the means test in this bill can change from year to year. Right now these guidelines make it possible but do not guarantee allowance of reasonable medical expenses. In fact, three out of four debtors cite serious medical problems or exorbitant health care costs as the reason for their filing for bankruptcy. In 1999, a half million middle-class families were forced into bankruptcy for these reasons alone.

It does not make sense to deny people who are truly in need the ability to pay for these medical expenses, when they should be able to file bankruptcy in the first place and be able to afford vital health care costs. This is a vital component of this bill, Mr. Chairman.

Mr. SCHIFF of California testified in support of the Senckenbrenner amendment in front of the Committee on Rules yesterday because of the inclusion of his language and what he thought was a simple clarification or that it in fact reflects a substantive change. That is a startling admission. Is it really his intent that a woman who has been abused and is now living in fear and poverty must still count her abuser’s income as a resource to be given to her creditors? I can see why some people in the bankruptcy industry might support this, but is there a single member of the majority who thinks that making it clear that the victim abuser’s income of her abuser is anything more than a clarification or that it in fact reflects a controversial proposition?

If they really do think so, why did they fail at least to do the minority the courtesy of being honest about dropping the Schiff amendment rather than allowing our colleagues from California to testify in support of the manager’s amendment thinking his language was still included within it? Mr. Chairman, at least people attempt to make this bill a little more humane, or a little less inhumane I should say, by softening the inflexible means test which the former chairman of the committee, the gentleman from Illinois (Mr. HYDE), objected to and attempted to change last year. Evidently, the IRS is more popular on the other side of the aisle than the rhetoric would indicate since they would put into this bill the IRS guidelines to determine how much a debtor can afford to repay, the same IRS guidelines they found too harsh and instructed the IRS not to use with respect to tax cheats.

The substitute amendment drops the special interest amendment that benefits those wealthy investors I mentioned earlier. It makes sure the debtor has funds to support a foster child and pay for needed medical care. It modifies the bill to take up provisions that were secretly inserted into last year’s conference report without any hearings or discussion that would hinder business reorganizations at a time when many more businesses are turning to chapter 11 to stay alive and preserve jobs. It protects the privacy of the public from having their personal information disclosed or resold when a company goes into bankruptcy.

Earlier, we agreed to an amendment to strike the names of children from online bankruptcy information. We did not have hearings on that. We have not had hearings on most of the special interest provisions in this bill. Why so much interest in hearings now? I sympathize with the chairman, who says he was not part of the deliberations in conference on this bill. Neither was I, and I was a conferee.

One last word on child support. I do not want to hear again that this bill makes child support the first priority. No bankruptcy practitioner thinks that this bill in any way benefits children. At worst it will hinder the administration of the case. At best, it will do nothing. In ch. 13, all priority debts must be paid in full. In ch. 7, 98 percent of all cases are zero asset cases, so priority debts are almost never paid. It is nothing to help those debts are made non-dischargeable by this bill, and it does nothing to help them compete in state court if the non-custodial parents’ debts to Visa survive bankruptcy. It does give a new and perverse meaning to the phrase, “women and children first.”

I urge adoption of this amendment which will somewhat improve this bill. I urge adoption of the motion to instruct which would provide basic privacy protections for individuals in the bankruptcy system while we wait for the bureaucracy to get off its keister, and I urge rejection of this terrible bill.

Mr. WATT of North Carolina. Mr. Chairman, I yield myself the balance of time remaining.

Mr. WATT of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. NADLER). Mr. NADLER. Mr. Chairman, earlier today I spoke of my general views on this terrible bill. I want to comment on a remark the chairman of the committee made during the debate on this technical amendment concerning language proposed by the gentleman from California (Mr. SCHIFF) and initially accepted by the majority that would protect legally separated spouses from having the income of their spouses attributed to them in calculating how much they can repay their creditors.

Mr. SCHIFF testified in support of the Senckenbrenner amendment in front of the Committee on Rules yesterday because of the inclusion of his language and what he thought was a simple clarification or that it in fact reflects a substantive change. That is a startling admission. Is it really his intent that a woman who has been abused and is now living in fear and poverty must still count her abuser’s income as a resource to be given to her creditors? I can see why some people in the bankruptcy industry might support this, but is there a single member of the majority who thinks that making it clear that the victim abuser’s income of her abuser is anything more than a clarification or that it in fact reflects a controversial proposition?

If they really do think so, why did they fail at least to do the minority the courtesy of being honest about dropping the Schiff amendment rather than allowing our colleagues from California to testify in support of the manager’s amendment thinking his language was still included within it? Mr. Chairman, at least people attempt to make this bill a little more humane, or a little less inhumane I should say, by softening the inflexible
you impose an arbitrary means test rather than going directly for the abusers of the system? And if it is not about setting up an arbitrary system, then why would you not make an exception for those who really can show by whatever way of proof you want to impose that they got into financial straits that result in bankruptcy by no fault of their own because that is what bankruptcy was always about, and that is what it should continue to be about. We have tried to, in this amendment, soften the provisions. That has not occurred. The charade is over. We can now go forward.

Mr. SENSENBRENNER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this bill has been percolated through the Congress for the last 4 years. It has probably been one of the most debated, amended and negotiated bills that has come before the Congress of the United States in the last 25 years. At the end of the last Congress, overwhelming majorities in both Houses approved this bill. It was a vote in the House, and the vote in the other body was 70-29. I think that shows that the vast majority of Members of both political parties are happy with the compromises that have been reached as a result of almost 4 years of painstaking and seemingly never ending negotiations.

We hear an awful lot about the fact that bankruptcy reform is necessary. My friends on the other side of the aisle say, yes, we support bankruptcy reform. But is this bill that makes a dent on the $400 that will be taken on amendment No. 1 of the present bankruptcy laws are now being written into every family in this country who pays their bills has to pay in increased taxes, increased costs for goods, increased costs for services as a result of a good family being written off in debt and bankruptcy. I think probably the best statement that was made during the debate came early on several hours ago, where our present bankruptcy laws are now being used by some as a financial planning tool. Bankruptcy should never be an item of financial planning. What it should be is a system of last resort, to allow people who have gotten in over their heads in debts to wipe the slate clean and to have a fresh start. This bill takes care of most of the abuses in the present bankruptcy system. It is a good bill. It is one that has been vetted by practically everybody who has been interested in this piece of legislation. It is a perfect bill. I will be the first one to admit it. But it is a significant improvement.

I would urge support for this bill and opposition to this last amendment that goes back to some of the practices of the bad old days.

The CHAIRMAN pro tem (Mr. LAHOOD). The question is on the amendment offered by the gentlewoman from Texas (Ms. JACKSON-LEE).

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

**RECORDED VOTE**

Mr. WATT of North Carolina. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN pro tempore. Pursuant to clause 6 of rule XVIII, the Chair will reduce to 5 minutes the period of time within which a vote, if ordered, will be taken on amendment No. 1 offered by the gentleman from Wisconsin (Mr. SENSENBRENNER).

The vote was taken by electronic device, and there were—aye 160, noes 258, not voting 14, as follows:

[Roll No. 23]

AVERES—158

Abercrombie  Hilliard  Napolitano  Aye

Allen  Hinchen  Nester  Aye

Andrews  Hinson  Oviedo  Aye

Baca  Hoefel  Owen  Aye

Balducci  Holden  Passell  Aye

Barcia  Hooley  Pastor  Aye

Barrett  Jackson  (IL)  Perry  Aye

Berkley  Jackson- Lee  Pelosi  Aye

Biggert  Johnson  (TX)  Pomeroy  Aye

Blumenauer  Jones  (OR)  Ponce  Aye

Boroski  Kaptur  Poole  Aye

Breese  Kicili  Price  Aye

Bryce  Brady  (PA)  Price  (NC)  Aye

Brown  (FL)  Kilpatrick  Raihala  Aye

Brown (FL)  Kilpatrick  Ramstad  Aye

Brady  Kildee  Rangel  Aye

Bryant  Kinkaid  Reyes  Aye

Campbell  Kloeckner  Rodriguez  Aye

Capuano  Kucinich  Roaring  Aye

Cardin  LaFalce  Rolland  Aye

Carson  (IN)  Lampton  Ronay  Aye

Clay  Langelin  Sawyer  Aye

Clayton  Lantos  Schakowsky  Aye

Conyers  Lee  Schiff  Aye

Costello  Levin  Scott  Aye

Cuellar  Levin  Serrano  Aye

Cummings  Lowey  Sherman  Aye

Davis (CA)  Luther  Slaughter  Aye

Davis (IL)  Maureen  (NY)  Solis  Aye

DeFazio  Markey  Sprat  Aye

DeGette  Mascara  Stark  Aye

DeLauro  McCarthy  (MO)  Steinback  Aye

Deutch  McCarthy  (WI)  Steinberg  Aye

Dicks  McCollum  Thompson  (CA)  Aye

Dingell  McGovern  Thompson  (MI)  Aye

Dodd  Mcknight  Thurman  Aye

Ehobh  McNulty  Udall  (CT)  Aye

Elsberry  McNulty  Udall  (NM)  Aye

Evans  Meehan  Velazquez  Aye

Farr  Meeks  (FL)  Visclosky  Aye

Fattah  Meeks  (PA)  Waters  Aye

Fleming  Menendez  Watt  Aye

Frank  Millender- Moore  Weiner  Aye

Gephardt  Gingles  Wexler  Aye

Gonzalez  Green  (TX)  Wexler  Aye

Gutierrez  Halls  (OH)  Wink  Aye

Harmar  Hastings  (FL)  Wynn  Aye

Hastings  (FL)  Nadler  —

NOES—251

Aderholt  Blunt  Calvert  —

Akin  Bock  Camp  —

Armey  Boehner  Cantor  —

Bachu  Bonilla  Capitol  —

Baker  Bosh  Carpenter  —

Ballenger  Barr  Causey  —

Bartlett  Barton  Chad  —

Barzanos  Barry  Conn  —

Berry  Biggert  Cooksey  —

Biirik (M)  Callahan  Cox  —

Cran  Crenshaw  Crowley  —

Crowley  Culberson  Cunningham  —

Davide (FL)  Davis, Jo Ann  Davis, Tom  —

DESC  DeMint  DeLaBar  —

Dingell  Doolittle  Doolittle  —

Dolesey  Dolan  Edwards  —

Dooley  Dooley  Ferguson  —

 Fletcher  Plats  Foley  —

Ford  Forshew  Frerichs  —

Fuscaldo  Fulkerson  Frelinghuysen  —

Frost  Galey  Gallegly  —

Gallagher  Ganke  Gekas  —

Ghrist  Gehrke  Gilchrist  —

Gillmor  Gilmore  Goodlatte  —

Gillum  Gifford  Gingles  —

Gomez  Goss  Goodman  —

Good  Goyal  Green  (FL)  —

Green (TN)  Green  (TX)  —

Green  (WI)  Groth  Green  (VA)  —

Greenwood  Grushinski  Guleck  —

Grvalach  Man  Hart (TX)  —

Hansen  Harley  Hastings (WA)  —

Harvey  Hayworth  Hayes  —

Hefley  Helms  Heitkamp  —

Hefley  Herger  Hill  —

Hillery  Himes  Hobson  —

Horn  Holt  Horner  —

Horn  Houghton  Howard  —

Hoyt  Hoyers  Hopkins  —

Huie  Hunter  Hyer  —

Huntsman  Hulsman  Hutchinson  —

Huntington  Hurd  Hurlbut  —

Hutson  Hunter  Jackson  —

Jackson  (MS)  Jackson  (CA)  —

Jackson  (TX)  Jackson  (WI)  —

Jackson  (WV)  Jackson  (WY)  —

Jackson  (OH)  Jackson  (WV)  —

Jackson  (WV)  Justice  —

Jackson  (WV)  Jenkins  —

Jackson  (OH)  Johnson  (CT)  —

Johnson (FL)  Johnson (IL)  —

Johnson  (MN)  Jones  (NC)  —

Jones  (IN)  Jones  (OK)  —

Jovel  Jordan  Judd  —

Judge  Jung  Jurist  —

Judge  Jung  Jurist  —

Judge  Jung  Jurist  —

Judd  Judy  Judd  —

Judd  Judy  Judd  —

Judd  Judy  Judd  —

Judd  Judy  Judd  —

Judd  Judy  Judd  —
CONGRESSIONAL RECORD—HOUSE

March 1, 2001

H599

AMENDMENT NO. 1 OFFERED BY MR.
SENSENBNRENNER

The CHAIRMAN pro tempore (Mr. LAHOOD). The pending business is the demand for a recorded vote on amendment No. 1 offered by the gentleman from Wisconsin (Mr. SENSENBNRENNER) on which further proceedings were postponed and on which the ayes prevailed by voice vote. The Clerk will redesignate the amendment. The Clerk redesignated the amendment.

Mr. CONYERS. Mr. Chairman, I withdraw my demand for a recorded vote.

The CHAIRMAN pro tempore (Mr. LAHOOD). The demand for a recorded vote on amendment No. 1 is withdrawn and the amendment is adopted by the previous voice vote.

So the amendment was agreed to.

The CHAIRMAN pro tempore. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HANSEN) assumed the chair. Mr. LAHOOD, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 333) to amend title 11, United States Code, and for other purposes, pursuant to House Resolution 71, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMEND OFFERED BY MR. CONEYERS

Mr. CONYERS. Mr. Speaker, I offer a motion to recommence the bill, H.R. 333, with instructions.

The SPEAKER pro tempore. The question is to the pro tempore. Is the gentleman opposed to the bill?

Mr. CONYERS. Yes, sir.

The SPEAKER pro tempore. The Clerk will report the motion to recommence.

The Clerk read as follows:

Mr. CONYERS moves to recommence the bill (H.R. 333) to the Committee on the Judiciary, with instructions to report the bill back to the House forthwith, with the following amendment.

Page 393, strike line 16 and all that follows through page 493, line 3, and insert the following (and conform the table of contents accordingly):

SEC. 1201. ISSUANCE OF CREDIT CARDS TO UNMATURED CONSUMERS.

Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by inserting after paragraph (6) (as added by section 1303 of this Act) the following new paragraph:

"(7) APPLICATIONS FROM UNDERAGE CONSUMERS.—

"(A) PROHIBITION ON ISSUANCE.—No credit card may be issued to, or open end credit plan established on behalf of, any consumer who has not attained the age of 21, except in response to a written request or application to the card issuer that meets the requirements of subparagraph (B).

"(B) APPLICATION REQUIREMENTS.—An application for credit must be accompanied by a copy of the photo identification of the parent or guardian of the consumer indicating joint liability for debts incurred by the consumer in connection with the account before the consumer has reached the age of 21. The signature of the parent or guardian of the consumer must be affixed to the application. If the parent or guardian is deceased, the certificate of death may be attached to the application. If the consumer is a minor, the signature of the parent or guardian of the consumer must be affixed to the application.

"There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. LAFAULCE) is recognized for 5 minutes in support of the motion.

Mr. CONYERS. Mr. Speaker, I offer the motion to recommence on behalf of myself and the gentleman from New York (Mr. LAFAULCE).

Our amendment would simply prohibit the issuance of credit cards to persons under age 21 unless a parent acts as co-signer or the minor can demonstrate an independent source to pay the debt.

Right now, our credit card companies are sending millions of credit card solicitations to teenagers every year with sometimes $10,000 lines of credit. The credit cards offer these young people free gifts, toys, tee shirts. It is outrageous.

Financial troubles caused by reckless lending to teens haunt some of them for the rest of their lives, costing them far more when they try to buy a car or home or take out future loans as they become responsible citizens.

So this is not about fingerpointing. It is all our moral responsibility, our children's, ours as parents, Congress', and yes, even the credit card companies, too. This is a moral responsibility that none of us can shirk.

So this amendment imposes a reasonable requirement on credit card companies that will help our young people immeasurably.

Mr. Speaker, I yield to the gentleman from New York (Mr. LAFAULCE), the ranking member of the Committee on Financial Services.

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

Mr. Speaker, motions to recommence are usually considered fairly partisan in nature, and usually there are enormous differences between a motion to recommit and the main bill.

This is not partisan, and the differences are not enormous. I hope Members would vote their consciences on this.

We take the main bill, and I do not like the main bill, I think it is pretty bad. I think there are dozens of predatory practices of the credit card industry that we should have dealt with and we did not.

But there is one in particular that is particularly offensive. That is preying on our youth, entering into agreements with colleges where the colleges will get money so they can come onto campus and market to these youth, flooding them with credit card solicitations, $3.5 billion totally. I cannot tell the Members exactly how many went to our college students under 21.

These students are going to gambling establishments, they are going into their rooms using their laptop computers, they are engaging in Internet gambling. They are suffering enormous consequences, financial and emotional, and there have been suicides, dropouts from colleges, because the credit card industry deviated from the standards they had just a few years ago: that is, show sufficient income yourself, or have your parent co-sign. That is the least we could do to deal with the multitudinous predatory practices that exist in the credit card industry.

Mr. SENSENBNRENNER. Mr. Speaker, I rise in opposition to the motion to recommence.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. SENSENBNRENNER) is recognized for 5 minutes.

Mr. SENSENBNRENNER. Mr. Speaker, I rise in opposition to the motion to recommence and ask the Members to vote no on this motion.

This motion to recommence proposes an amendment that does not deal with the Bankruptcy Code whatsoever, but amends the truth-in-lending act, as has been described by its proponents.

In most States of this country, including my home State of Wisconsin, the age of majority is 18. When one achieves the age of 18, one is responsible for one's contracts, one can sue and be sued, one can vote, and in many cases can run for and be elected to public office.

What this amendment proposes to say is that in terms of receiving solicitations for credit cards, these adults are considered children for 3 more years. What it does is it paints a broad brush every 18-, 19-, and 20-year-old and says, 'You have to go through the thurth-in-lending act, as has been described by its proponents.'

So the good kids who would use credit responsibly and learn how to use credit responsibly are not able to get credit cards, just like the bad kids who would use credit irresponsibly.

I would submit to each Member of the House of Representatives that we
should not be tarring kids with this broad brush; we should not be telling 18-, 19-, and 20-year-olds that they are adults for every purpose except just this one.

I think what we should be doing is empowering our young people and giving them the educational tools to make good consumer decisions, rather than simply saying, 'The door is shut for you.'

Mr. Speaker, I yield to the gentleman from Ohio (Mr. OXLEY).

Mr. OXLEY. I thank the gentleman for yielding.

First let me associate myself with the remarks of the gentleman from Wisconsin, the chairman of the Committee on the Judiciary. As chairman of the Committee on Financial Services, I find some of the same concerns that the gentleman from Wisconsin has, and I am again talking about people who are of legal age, 18.

I thought it was interesting that the title is, issuance of credit cards to underage consumers. By whose definition are they under age? By Federal law, they can vote. By most State laws, as adults for every purpose except just this vote. By whose definition is the gentleman from Wisconsin correct?

I found some of the same concerns to the motion.

Mr. Speaker, I also rise in opposition to the motion.

In Ohio, we had a young fellow just elected to the Ohio General Assembly just out of high school; he was 18 years old, a member of the Ohio General Assembly. Can Members imagine if he wanted to get a credit card to use, he would have to get his parents’ consent. Here is a person who was duly elected by the people of Ohio to serve in the General Assembly. This bill is thinking a well-meaning amendment, but certainly wrongly directed. I would ask that the motion be defeated.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. CONYERS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for any electronic vote on the question of final passage.

The vote was taken by electronic device, and there were—eyes 165, noses 253, not voting 14, as follows:

Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—eyes 306, noses 106, not voting 18, as follows:
The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

So the bill was passed.

PERSONAL EXPLANATION

Mr. McDERMOTT. Mr. Speaker, due to the 6.8 magnitude earthquake that struck my district yesterday I have returned to Seattle with the FEMA Director and was unable to vote today.

I would have voted against agreeing to the resolution to consider H. Res. 71 (rollcall No. 22).

I would have voted in favor of the Jackson-Lee amendment (rollcall No. 23).

I would have voted in favor of the motion to recommit (rollcall No. 24).

I would have voted against passage of H.R. 333, the Bankruptcy Abuse Prevention and Consumer Protection Act (rollcall No. 25).

PERSONAL EXPLANATION

Ms. DUNN. Mr. Speaker, I was detained due to being with FEMA Director Joe Allbaugh to assess the damage caused by the earthquake in the Puget Sound. Had I been present, I would have voted “yea” on rollcall No. 22, “no” on rollcall No. 23, “no” on rollcall No. 24, and “yea” on rollcall No. 25.

LEGISLATIVE PROGRAM

Mr. BONIOR asked and was given permission to address the House for 1 minute.

Mr. BONIOR. Mr. Speaker, I ask to take this time to inquire from the distinguished majority leader and ask him to clarify the schedule for the remainder of the day, the week, and next week.

I yield to the gentleman, the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding.

I am pleased to announce that the House has completed its legislative business for the week. The House will next meet for legislative business on Tuesday, March 6 at 12:30 p.m. for morning hour and at 2:00 p.m. for legislative business. No recorded votes are expected before 6 p.m. The House will consider a number of measures under suspension of the rules, a list of which will be distributed to Member offices.

I ask unanimous consent that all the Clerk be authorized to correct section numbers, punctuation, citations and cross references and to make such other technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

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

There was no objection.
Mr. Speaker, I would like to wish all of my colleagues a safe journey home for the weekend and a pleasant weekend with their families and constituents.

Mr. BONIOR. Mr. Speaker, if I may inquire that the gentleman from Texas has been hearing rumors on our side of the aisle that we will be denied an opportunity for a fair and fiscally responsible tax cut substitute when the bill reaches the floor next week. I ask the gentleman from Texas if that is indeed the case.

Mr. ARMEY. Mr. Chairman, will the gentleman continue to yield.

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I appreciate the gentleman asking that, and it is unfortunate when there are rumors that are upsetting the Members.

The fact of the matter is the rule that governs consideration of that bill will be drafted in the Committee on Rules, and there has been no determination from the committee regarding that. I really cannot, in fact, predict except that the rule would look like except that it would be, I should think, and we would expect it to be consistent with what the Committee on Rules has done in the past.

Mr. BONIOR. Well, I would say to my friend from Texas that leads me to be even more suspicious of what may transpire next week or in the Committee on Rules.

I just want the gentleman from Texas to know that we would consider it a real breach of bipartisanship. And our reaction to not being able to offer on our side of the aisle, on behalf of 211 Members of Congress that represent quite close to half the population in this country, a substitute that would express on how we want to give money back to people, put money in their pockets, that if that is not made available to us, I would assure the gentleman from Texas that there will be a very, very negative reaction on this side of the aisle.

I think that the gentleman, per his comments on precedent, can look back and see that when there were examples of tax bills that came to the floor in the past, in fact when we were in the majority, did make available at various times, and I recall certainly during when President Bush was in the White House, during the late 1980s and early 1990s, we were able to do that for the minority. We expect to have the same kind of courtesy and the same type of response when we come to the floor next week.

We would be sadly and terribly disappointed and angry, if I might say so, if we do not have a chance to voice our view on behalf of 211 Members in our caucus.

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, there certainly can be no failure on the part of this gentleman to perceive from the manner in which the gentleman from Michigan has just expressed that that would indeed be the case.

But the gentleman from Michigan, having served on the Committee on Rules while in the majority, must certainly be very well aware of the fact that the Committee on Rules does now, as it did then, take its responsibility and its prerogatives seriously. The rule will be written by the Committee on Rules in the Rules of the House. I am just sorry to say that this gentleman cannot predict what the Committee on Rules will do at that time.

I am sorry that there is a rumor out there, but I have told the gentleman as candidly and straightforwardly as I can that the Committee on Rules has not met on this subject; that I have not discussed the subject of this rule with any member of the Committee on Rules, and I have no basis to project what the major tax bills on Rules would do except to observe what has been in fact the history of practices with the Committee on Rules with respect to rules of bills of this nature.

Mr. BONIOR. Mr. Speaker, I would say to the gentleman from Texas, having served for 14 years on the Committee on Rules, the Committee on Rules is an extension of the leadership. It is a leadership committee. And I am sure the gentleman from Texas is not telling me on the floor this afternoon that he has no input into what is going to happen up in the Committee on Rules, because I know, and I think everybody in this institution knows, that the gentleman from Texas and the Speaker and the majority whip, in fact, do have an input, always have had an input on what decision is being made up in the Committee on Rules, especially on such an important issue as a major, major tax bill.

So we expect to be treated with dignity and with fairness, and that means having an opportunity, win or lose, to offer a substitute to what the President and the Republican Party wants to offer.

Mr. ARMEY. Mr. Speaker, I do appreciate the gentleman’s point. I mean the gentleman is being quite firm, but the fact of the matter is the chairman of the Committee on Rules does meet with the leadership, usually on Tuesday, to sit down and discuss a bill of this importance and the rule that would be drawn. And, yes indeed, in the Republican leadership model there is leadership involvement.

But the Committee on Rules is in fact a committee of very competent and able people who are quite able to make a final determination for themselves. That determination will be made by the Committee on Rules, and I do hope and expect with input, suggestions, recommendations from House leadership. I am just sorry to report to the gentleman there has been no such meeting now, and any rumors one has heard to the contrary should have very little credence in light of the fact that no such meeting to discuss this matter has taken place.

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

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I do appreciate the gentleman from Texas’ inquiry. I believe if one sought history and precedence for this decision, which in fact I would find no reason to seek, one could find that in the consideration of the marriage penalty bill just last year.

Mr. STENHOLM. Mr. Speaker, will the gentleman continue to yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, I would advise the majority leader that that is precisely what bothers me about this particular decision this year. Because now we have a tremendous potential problem with dealing with projected surpluses of $5.6 trillion, 70 percent of which will not occur until the years 2007, 2008, 2009, and 2010. Yet next week I believe the leadership decision has been made that we are going to discuss the utilization of that.

I know the gentleman will say we are going to discuss giving back to the American people some of which they have already paid. I am for that. I know of no one as yet that is not for that. But it seems to me that we are getting the cart before the horse when we come with that bill first without first dealing with the budget so that we might in fact conservatively deal with the future economics of this country.

Mr. ARMEY. If the gentleman from Michigan will continue to yield, and I do appreciate the gentleman yielding for the points made by the gentleman from Texas (Mr. STENHOLM), but let me just say with regard to the President’s budget proposal of $1.9 trillion over the next 10 years I hope that the American people that we have under consideration in the Committee on Ways and Means right now a bill which would be
We do not know that. We cannot predict the weather in the years 2007, 2008, 2009, and 2010. OMB has been wrong continually on their projections; and here we are rolling the dice like we did in 1981, assuming the money is going to be there, and the fact of the matter is, that is the only way it is important for us to lay a budget out before we move ahead with a tax bill.

Now we are being told, not by the gentleman from Texas (Mr. ARMEY), but by the House himself, he has said he does not know what he is going to do on the rule, but I gather from the gentleman’s remarks and what I have heard on the floor in the last couple of days, is we are going to be shut out of even offering what we think is a more responsible and fiscally prudent substitute to deal with that question of exploding deficits, particularly in the out years, and putting us back into the deja-vu-all-over-again 1981 situation that we found ourselves in, and which took 15 years to dig ourselves out of debt from.

So the gentleman needs to understand, and I hope he does from the passion in our voices here this afternoon, that we want to be treated fairly. And if we make our case loud on the House floor, fine, that is the way this place is supposed to work. But if we do not get a chance to offer on behalf of 211 Members who were elected, as the gentleman was and his colleagues were, we feel aggrieved, and we should be angry about it.

So I just plead with the gentleman, as we start this new Congress with this very important bill, that the gentleman goes back to his leadership in meeting with the gentleman from California (Mr. DREIER), the Speaker, the gentleman from Texas (Mr. DELAY), and whoever else is in there, the gentleman from California (Mr. THOMAS) and the whole crowd, and the gentleman from Michigan (Mr. BOYD) and the House.

We know that the majority is probably going to win this vote. We are not naive. The gentleman has the majority on his side of the aisle. But we want the American people to understand that there is another viewpoint here. And for the gentleman to shut us off and not allow us to debate for at least an hour our view on a very important issue that is going to affect us perhaps for not only years but decades to come, I think it is quite deplorable and irresponsible and not in keeping with the bipartisan tone in which the President of the United States has been so proudly displaying and advocating over the course of the last couple weeks.

Mr. ARMEY. If I may, Mr. Speaker, let me just say the gentleman from Michigan makes a good point. I understand that rumors can be upsetting and I regret that. But I still, nevertheless, in light of the rumor, the gentleman is, on behalf of his party, correct to come to the floor and make the points he has made, and I respect that. I can only tell the gentleman with respect to that
of us that feel very strongly about that. Mr. ARMLEY. If the gentleman will yield further, again I appreciate that. I hope the gentlemen on his side of the aisle and my side of the aisle that feel so strongly in terms of this operational management will allow us in our interest of signaling to the American people on this tax reduction, this tax relief, that help is on the way. We want to get that signal out there early. We believe we can do that and be perfectly consistent with the requirement that in the end, as we work our way through this, it must all be reconciled to the budget that is passed by this body, the other body, and, of course, reconciled between the two bodies. There, of course, is no getting around that. So no matter how early we might act on any one part of it, in the end we will have that full reconciliation that I think would be a comfort to his concerns.

REPORT ON STATUS OF FEDERAL CRITICAL INFRASTRUCTURE PROTECTION ACTIVITIES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore (Mr. SIMMONS) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Reform:

To the Congress of the United States:


This report was drafted by the previous Administration and is a summary of their efforts as of January 15. However, since this requirement conveys to my Administration, I am forwarding the report.

Critical infrastructure protection is an issue of importance to U.S. economic and national security, and it will be a priority in my Administration. We intend to examine the attached report and other relevant materials in our review of the Federal Government’s critical infrastructure protection efforts.

GEORGE W. BUSH


ADJOURNMENT TO MONDAY

MARCH 5, 2001

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. Monday, March 5, 2001.

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

There was no objection.

HOUR OF MEETING ON TUESDAY

MARCH 6, 2001

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, March 5, 2001, it adjourn to meet at 12:30 p.m. on Tuesday, March 6, 2001, for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

CELEBRATING 40TH ANNIVERSARY OF PEACE CORPS

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

Mr. FARR of California. Mr. Speaker, I rise also with the gentleman from New York (Mr. WALSH) to celebrate the 40th anniversary of the Peace Corps. It was founded on March 1, 1961 when President John F. Kennedy signed the legislation launching the Peace Corps.

Since then, more than 162,000 Americans have served and returned to this United States, having served in 134 different countries. Six now serve in the House of Representatives, three Republicans and three Democrats: the gentleman from Wisconsin (Mr. PETRI), the gentleman from Connecticut (Mr. SHAY), the gentleman from New York (Mr. WALSH), myself, the gentleman from Ohio (Mr. HALL), and the gentleman from California (Mr. HONDA).

More than 67,000 volunteers are in the field today teaching in elementary schools, high schools and technical schools, building water systems and agricultural co-ops, teaching health care, and treating people in need.

But, Mr. Speaker, we need to do more. The demand for the Peace Corps is at an all-time high. More host countries want volunteers. The interest in serving in this country is at an all-time high. In fact, only about one out of nine people that have shown interest have a space abroad, because Congress has not fully funded the Peace Corps. The goal was to have 10,000 volunteers in the field by 2000. We only have 7,000. We need to do a better job. Fully fund the Peace Corps.

Mr. Speaker, it has been 38 years since I joined the Peace Corps, and I rise today to celebrate the 40th anniversary of the Peace Corps.

It was started on March 1, 1961, when President Kennedy signed the legislation launching the Peace Corps—establishing a bold and hopeful experiment to allow Volunteers to bring practical grassroots assistance to the people of developing nations to help them build a better life for themselves and their children.

For years later, the Peace Corps has succeeded beyond everyone’s expectations.

Today there are more than 162,000 returned volunteers in the United States, six of whom serve in the House of Representatives and one in the United States Senate. They have served in 134 different nations, making significant and lasting contributions from Armenia and Bangladesh to Uzbekistan and Zimbabwe.

There are more than 7,000 Volunteers that are now living and working overseas. They are addressing critical development needs on a person-to-person basis: working with teachers and parents to teach English, math and science; helping spread and gain access to clean water; to grow more food; to help prevent the spread of AIDS; to help entrepreneurs start new businesses; to train students to use computers; and to work with non-governmental organizations to protect our environment. Above all, Volunteers leave behind skills that allow individuals and communities to take charge of their own futures.

In our increasingly interconnected global community, Peace Corps Volunteers also promote greater cross-cultural awareness, both in the countries in which they serve and when they return home. As they work shoulder to shoulder with their host communities, Volunteers embody and share some of America’s most enduring values: freedom, opportunity, hope, progress. It is these bonds of friendship and understanding that they create that can build the foundations for peace among nations.

And I can personally testify that the best service that is given to the Peace Corps is the continuation of service to our communities when we all come home. Today, because of the anniversary of the Peace Corps, thousands of returned Volunteers are visiting schools and local communities throughout the United States, sharing the knowledge and insights gained from their experiences abroad and passing along the value of service to others.

As we have learned around the world, the best way to support a democracy is to help development at the local level. Meanwhile, America’s young and old, single and married, would like to serve their country, humanity and democracy. The Peace Corps is one of the most effective mechanisms for uniting these two ideals. This is an asset we should not let go to waste.

On this 40th anniversary of the Peace Corps, please join me in honoring all Volunteers, past, present, and future, and in celebrating their four decades of service to the world. The Peace Corps has served its country well, and we should all be proud.

CONGRATULATING MOST REV. EDWARD M. EGAN, ARCHBISHOP OF NEW YORK, ON HIS ELEVATION TO THE DIGNITY OF CARDINAL

(Mr. GRUCCI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)
Mr. GRucci. Mr. Speaker, it is with great pleasure that I rise today to congrat­ulate the Most Reverend Edward M. Egan, Archbishop of New York, upon his elevation to the dignity of Cardinal. It is most fitting that Car­dinal Egan is the successor of the late John O’Connor, New York’s first Cardinal. Egan has the wonderful ability to nurture and develop a sense of social justice among his fellow Catholics. As was the case with Car­dinal O’Connor, he understands and deeply respects the values inherent in a multicultural and multireligious community. He has a deep and abiding re­spect for and dedication to education. As he assumes his leadership role in the diocese of New York, it is right for us to wish him success in making this great community a more human, more caring and more believ­ing community of brothers and sisters.

I ask my colleagues to please join me and all the members of the Archdiocese of New York in congratulating the Most Reverend Edward M. Egan upon his elevation to the dignity of Cardinal.

REGARDING THE DISTRICT OF COLUMBIA RETROCESSION ACT

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

Mr. REGULA. Mr. Speaker, today I am introducing H.R. 810 to retrocede the District of Columbia to the State of Maryland, minus the Federal portion of the city. The city has the bumper slogan of “taxation without representa­tion.” This bill will provide taxation with representation for the residents of D.C. I think that this would be a great move forward for the people of this community. It would give them access to all the services of the State of Mary­land and also an opportunity to elect a Congressperson, to vote on two United States Senators and to vote on mem­bers of the State legislature in Mary­land.

The retrocession would create the fourth largest regional market in the United States between Baltimore and Washington. Does it work? In Canada there is a prime example of how this proposal could and would work. Its capital, Ottawa, lies in the province of On­tario and sends representatives to the provincial parliament in Ontario as well as the federal parliament as part of the Ontario delegation. It works very well for our neighbor Canada and I think it would work very well for the United States. Most importantly, it would give the people of the District of Columbia the right to vote, to have taxation with representation.

Mr. Speaker, two hundred years have passed since District of Columbia residents lost their right to vote. Despite the ratification of the 23rd Amendment in 1961, which re­turned their right to vote for President, District residents still lack voting representation on the floor of Congress. To increase national aware­ness of this situation, the District recently changed the slogan on its automobile license plates to read “Taxation Without Representa­tion.”

Today, I am once again introducing a bill that I strongly believe is the best solution to this problem, especially given the failure of other alternatives. This legislation would return the District of Columbia, barring a small federal enclave, to the State of Maryland.

The District of Columbia was originally comprised of territory ceded by the states of Virginia and Maryland. The Virginia portion was retroceded back to that state in 1846. Under this bill, the remaining territory, excluding a small enclave encompassing the White House, Congress, the Supreme Court and most exec­utive agencies, would be returned to Mary­land.

Retrocession would be mutually beneficial for both the District and the State of Maryland. It would finally give District residents a voting U.S. Representatives as well as two U.S. Sen­ators. In addition, they would have further rep­resentation on the state level in Maryland. Beyond these political gains, District residents would stand to benefit from Maryland’s larger and more established state infrastructure of fac­ilities, services and assistance programs.

Maryland stands to gain as well. It most cer­tainly would receive an additional seat in the House of Representatives, thus increasing its influence in Congress. Economically, Maryland would gain an area that boasts the nation’s 2nd highest per capita income. Retrocession would create the 4th largest regional market in the country between Baltimore and Wash­ington.

Canada offers a prime example of how this proposal could and would work. Its capital, Ot­tawa, lies in the province of Ontario and sends representatives to the provincial parliament in Toronto as well as the federal parliament as part of the Ontario delegation. We need to come up with a practical and realistic solution to restore the full democratic rights of District residents. Efforts to give the District delegate full voting rights have not succeeded. I believe this legislation is the only reasonable option left to end Taxation Without Representation in the nation’s capital.

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.

DISTRICT OF COLUMBIA RETROCESSION ACT OF 2001

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

Mr. HORN. Mr. Speaker, I am pleased today to join my colleague, the gentle­man from Ohio (Mr. REGULA), in in­troducing the District of Columbia Retrocession Act of 2001, H.R. 810. This legislation, long championed by the gentleman from Ohio (Mr. REGULA), would provide an immediate, practical solution to a serious problem, the lack of full voting rights for citizens of the District of Columbia.

The gentleman from Ohio (Mr. REGULA) first introduced this legislation in the 101st Congress and has renewed it in each succeeding Congress in an ef­fort to return the District of Columbia, with the exception of a federal enclave, to the State of Maryland. The goal, which I strongly support, is to re­store the basic rights of representative democracy to District of Columbia residents.

Residents of the District lost their voting rights in 1800 when Congress took control of areas ceded by the States of Maryland and Virginia to form the new Federal District as a per­manent home for our national govern­ment. In 1961, a partial restoration of voting rights was provided by the 23rd Amendment to the Constitution. That amendment gave District of Columbia residents the right to vote for Presi­dent but not for voting Members of Congress, either Representatives or Senators.

Since that time, there have been endless and fruitless talks about either statehood for the District or some other means to provide full and perma­nent representation in the House and the Senate.

The legislation we are offering today would cut through this logjam by ret­rocession of a part of the current Dis­trict as a Federal enclave containing the White House, Congress, the Su­preme Court and most of the executive agencies.

The rest of the current District would be returned to the State of Maryland, just as the portion of the District west of the Potomac was re­tumed to Virginia in 1846. By making this statutory change, we can restore full voting rights to every resident of the District of Columbia. Every resi­dent would run and vote at least for one United States Representative and two United States Senators.

In addition, they would have the rep­resentation at the State level in Mary­land. In addition, the gentleman from Ohio (Mr. REGULA) rightly points out that the D.C. residents would gain other benefits by becoming a part of Maryland’s established economic and educational infrastructure and judicial system. The District would be able to reduce and streamline its bureaucracy to eliminate duplicating functions that the State of Maryland already per­forms for its citizens. At the same time, Maryland would gain economi­cally and politically from retrocession.

District residents pay at least $1.5 billion in personal and property taxes and the Baltimore-Washington area would become the fourth largest re­gional market in the country.
In addition, Maryland would gain at least one seat in the House of Representatives, extending its influence in Congress.

Mr. Speaker, I would note that other benefits come from this legislation. Under the current arrangement, Congress exercises extensive oversight and even direction of District of Columbia governmental activities. Due to its unique status, the District has never attained the full powers and rights of a city and it has never been covered by the authority we accord to every State. The ambigious status given to the District, under current arrangements, invites both internal confusion and uncertainty and external interference from Congress. We need to end the unnecessary difficulties that this creates by giving the District the full powers of a city within the full rights of a State. This legislation would achieve that goal and it could do so immediately.

It does not require passage and ratification of a constitutional amendment or the surmounting of any other impossibily high barrier to a solution. This is a sound and sensible approach that would benefit all concerned. I urge my colleagues to support it.

When my great grandfather came from Ireland to the District of Columbia, he could not vote then, but in the 1970s the District was permitted to vote, and for about 3 years he marched down there with top hat and tails because he was so proud to have the franchise. We do not have that franchise and we need to do it for the people that live within the District of Colombia, and we need to return that portion that was given from Maryland back to Maryland.

HUMAN RIGHTS COMMISSION OF PAKISTAN SAYS ABUSES GETTING WORSE

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

Mr. PALLONE. Mr. Speaker, within the last week, a report investigating the state of human rights in Pakistan was released showing that no significant improvements have been made to restore a democratic government in that country. In fact, Mr. Speaker, there is evidence that suggests General Musharraf will put off national elections perhaps until January 2003, the deadline required by the nation’s Supreme Court.

Mr. Speaker, I have come to the House floor numerous times over the last couple of years to voice my strong opposition to a 1999 coup that ended democratic rule in Pakistan. In October 1999, Pakistan Army Chief Musharraf led a coup against civilian Prime Minister Sharif and then proclaimed himself the head of a new ‘Islamic’ government in Pakistan. Mr. Musharraf also suspended Pakistan’s constitution as well as its representative bodies, including the National Assembly and the Senate. Musharraf says he will abide by the Supreme Court’s deadline to return the nation to democratic rule, but I do not believe that January 2003 is soon enough.

Mr. Speaker, the U.S. Congress should voice its opposition to the Pakistani coup. We should go on record and collectively state that we will not tolerate the overthrow of an elected government. I cosponsored a resolution back in 1999 with former Congressman James Gejdesen of Connecticut that would accomplish this goal. The resolution was approved by the Committee on International Relations less than a month after it was introduced and less than a month after the coup. Unfortunately, after passing in committee the legislation was never seen again and never came to the floor of the House for a final vote.

I must say, Mr. Speaker, I am ashamed that the 106th Congress never inappropriately lent its weight to the coup in Pakistan, and I would still like this Congress to do so in light of these latest reports. The ability of the military to seize power away from an elected government should not be tolerated.

The human rights report, released this week by the State Department, which included some documentation collected by the independent group, the Human Rights Commission of Pakistan, said that, quote, citizens continued to be denied the right to choose or change their government peacefully.

The report also included disturbing news that the Musharraf regime has taken, quote, steps to control the judiciary and to remove itself from judicial oversight. This so-called control over the judiciary could explain the reason why the nation’s Supreme Court gave Musharraf 2 years to rule.

Another concern, Mr. Speaker, was that human rights abuses, which have been a problem in Pakistan for years, have not improved, even though goals were set at a conference on human rights at the beginning of last year. I should point out that Musharraf was very critical of human rights abuses that occurred under Sharif’s watch, but after more than a year in office, Musharraf has not made any significant changes.

Mr. Speaker, other major human rights violations are also taking place across the border by General Musharraf and his government in India’s state of Jammu and Kashmir. Pakistan’s role in sowing death and destruction has been going on for years, but received world attention in 1998 when Pakistani military leaders, many of whom were involved in that year’s coup d’etat, precipitated a major crisis by unleashing an attack against Indian positions in the area of Kargil, along the Line of Control that separates Indian and Pakistani controlled areas of Kashmir. This attack, carried out by terrorists and trained in Pakistan, was condemned by the United States and the international community, and Pakistan was forced to essentially withdraw.

Over the past 2 years, the attacks by Pakistani forces on Indian army positions have continued, causing casualties on both sides and threatening the stability of the entire South Asia region.

Another State Department report, released last month, investigating terrorism around the world, notes that “Kashmiri extremist groups continued to operate in Pakistan, raising funds and recruiting new cadre.” It blames these groups for numerous terrorist attacks against civilian targets in India’s state of Jammu and Kashmir.

Mr. Speaker, I am also concerned that Pakistan is becoming a breeding ground for terrorists and the training of terrorist activities. That same State Department report looking at terrorist activities around the world found that the locus of terrorism directed against the United States continued to shift from the Middle East to South Asia.

Mr. Speaker, each of these reports sheds light on what is really going on in Pakistan. It is important that we not only be aware of these situations but also be willing, both the new Congress and the new administration, to call upon the current government in Pakistan to change the situation.

PERMISSION TO MOVE REMARKS

Mr. HORN. Mr. Speaker, I ask unanimous consent that my 5 minutes follow the 1-minute speech of the gentleman from Ohio (Mr. REGULA), since we are talking on the same subject.

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

There was no objection.

Mr. HORN. Mr. Speaker, within the last week, a report investigating the state of human rights in Pakistan was released showing that no significant improvements have been made to restore a democratic government in that country. In fact, Mr. Speaker, there is evidence that suggests General Musharraf will put off national elections perhaps until January 2003, the deadline required by the nation’s Supreme Court.

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Mr. Speaker, I am also concerned that Pakistan is becoming a breeding ground for terrorists and the training of terrorist activities. That same State Department report looking at terrorist activities around the world found that the locus of terrorism directed against the United States continued to shift from the Middle East to South Asia.

Mr. Speaker, each of these reports sheds light on what is really going on in Pakistan. It is important that we not only be aware of these situations but also be willing, both the new Congress and the new administration, to call upon the current government in Pakistan to change the situation.
What happened was that Ukrainian police, and I am quoting from an international news report, launched an early morning strike on opponents of President Leonid Kuchma, swiftly pulling down a makeshift tent camp which had become a focus of protests against that president.

I might add, having just returned from that country, those demonstrators were peaceful; they were living in freezing temperatures, in tents; and they have a right to assemble; they have a right to speech; they have a right to express their opinion.

The news report goes on, as police tore down the tents, demonstrators tried to wrest back meager belongings which were dumped into lorries. Those resisting were manhandled into the back of unmarked gray trucks. Several protesters waving the blue and yellow Ukrainian national flag threw themselves desperately in front of the vehicles before being dragged away. Four hundred police arrested 100 peaceful demonstrators. The demonstrators, who have braved months of freezing temperatures and alleged harassment in one of the most potent symbols of resistance against that country’s President, vowed not to give up.

Two hundred people, bystanders, watched as officers rapidly dismantled the camp. They were shouting, shame on the police. Most seemed stunned by the action against the peaceful tent dwellers.

I have some pictures here from the international press showing the arrest of peaceful demonstrators.

Now, politically I may not agree with some of those demonstrators in terms of their ideology. Some may be of the far right or the far left. It really does not matter. They have a right to assemble. The government of Ukraine is saying, well, the courts of Ukraine ordered them to be dismantled because they were assembled in a part of the city where they did not have a permit. Having been there, I can say they were large sidewalks. They were not bothering anybody. It was in a median strip.

The question is, why would that government choose to forcibly remove these demonstrators at this time?

Our delegation, having just returned from Ukraine, spent over 2 hours with the President of that country offering the President the help of the West and getting at the bottom of what was causing the demonstrators to assemble, and that is the beheading of a journalist in that country and the possible implication of the President of that nation in that terrible act.

We offered the President advice, saying that transparency in investigation, objectivity in investigation, could raise the confidence level of his own people and, in fact, all freedom-loving peoples. We received his assurance that freedom of speech would not be marred, that freedom of speech would be able to continue, that freedom of press would be allowed.

We said we would come back here to Washington and offer a resolution in which we would support those principles being maintained in that country as it emerges into a more democratic arrangement, and yet today we hear about this awful act in that country.

Now, as we develop this resolution, as Members of this body, we are going to word a stronger resolution because we believe that regardless of an individual’s involvement in compromising freedom of assembly; one cannot compromise freedom of speech; one cannot compromise freedom of press.

I would urge in the strongest possible terms the government of that nation to find a central place in which these demonstrators might be allowed to express their opinions. They were not even talking. They were merely staying in tents in cold weather.

The government says, well, there were no toilets in the area. Let me say respectfully, in many places there are no toilets in that country.

It is important that freedom be allowed to emerge. The West has to be a strong voice for freedom of assembly, the very principles that allow a democratic nation to emerge. Again, we would offer to the President of Ukraine all of the institutions that this country has to offer, with our friends in the Organization of Security and Cooperation in Europe; to have a thorough and impartial investigation; to raise the confidence level of citizens of Ukraine and citizens of the free world everywhere that investigations are being pursued thoroughly, completely, in a fair-minded and open manner.

To do this, to take this action, is a terrible, terrible sign to the West, and we ask that government to please provide an area for people to freely demonstrate.

[From the New York Times, Mar. 1, 2001]

UKRAINIAN POLICE PULL DOWN ANTI-KUCHMA TENT CAMP

KIEV—Ukrainian police launched an early morning strike on opponents of President Leonid Kuchma on Thursday, swiftly pulling down a makeshift tent camp which has become a focus of protests against the country’s leader.

To cries of “Shame, shame” and “Kuchma out!” from bystanders, some 400 policemen took about an hour to surround and evict around 100 occupants from some 50 tents on Kiev’s elegant Kreshchatyk street.

The camp was set up in December by pro-bols of resistance against Kuchma, vowed to continue to resist as it emerges into a more democratic nation. But a headless corpse was found outside the camp late Wednesday, and police said the protesters had driven a lorry into it.

The scandal was sparked when journalist Georgiy Gongadze, who was critical of Kuchma’s rule, went missing. It intensified when the headless corpse was found outside Kiev in November.

CASE OF THE HEADLESS CORPSE

Kuchma’s involvement was alleged when opposition politicians published tapes in which a voice similar to his was heard giving orders to “deal with” the reporter. Austrian experts said on Wednesday that tapes of the voice being played back were faked.

Kuchma denies all involvement but this did not prevent the United States from issuing statements of concern, as well as those from international human rights groups.

The Ukrainian president’s office said the leader’s voice from Bush urging a peaceful reform and respect the rights of individuals. It also said the United States was ready to help Ukraine get through its current difficulties. The tent dwellers, whose eviction had been ordered by a Kiev court, accused police of violating their freedom.

“You should have more respect for the constitution,” one shouted as he was carried off by around 20 police.

“It is unbelievable, I am an invalid and he is beating me,” Vitaly Yushевич, who was pulled out of his tent by a burly police officer and bundled out of the camp.

Police said the protesters’ belongings would be returned.

“We are carrying out the court’s orders. . . All the tents’ occupiers will be able to claim their property back later,” said a police officer at the scene.

GOVERNMENT’S DEMAND AND APPETITE FOR MONEY CAN NEVER BE SATISFIED

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

Mr. DUNCAN. Mr. Speaker, we see on an almost daily basis here in the Congress that government’s demand or appetite for money can never be satisfied. I believe if we gave a department or agency twice what they were asking for, they might be happy for a short time, but they would snatch their flag crying about a shortfall in funding. However, the message we need desperately to get out is that everyone is better off
the more money that can be left in the private sector. More jobs are created and prices are lower the more money that is left in the private sector.

The most economical, most efficient way to spend money, the biggest bang for the buck, is to leave more money in private hands. This is because even though there is waste and inefficiency in the private sector, it pales in comparison to the waste and inefficiency within government, especially the Federal Government.

This has been proven all over the world throughout history. The countries with the best economies and the greatest progress have always been and continue to be the Nations with the lowest percentage of their total national income going to the government. The opposite is also true. The countries with populations closest to starvation or the lowest standard of living have always been countries where the government has taken most of the Nation’s income. This has been true in Cuba, several African nations, the former Soviet Union and others.

Also, big government produces a very small, elite class at the top and a huge starvation or under class. Probably the thing that is best about moving out the middle class and creating huge differences between the rich and the poor. A small government such as in the U.S. prior to the mid-1960s produces a huge middle class. This is just part of why it is so important, Mr. Speaker, to pass President Bush’s tax cut. The people are paying in a huge tax surplus. They not only deserve some of it back, but everyone will be better off and our economy will be stronger in the long run if we can get more money back into the private sector.

I realize that some big corporations are mad at the President now because his plan has no corporate tax breaks but is going entirely for individuals. However, the average person today is spending almost 40 percent of his or her income in taxes of all types, Federal, State and local; gas taxes, sales taxes, property taxes, income taxes, excise taxes, Social Security taxes. The GAO reports that 80 percent of the people now pay more in Social Security taxes than in income taxes. Also, most estimates are that people pay another 10 percent in regulatory costs, things that government makes businesses do that are passed on to the consumer in the form of higher prices.

This means that even here in the United States almost half of the average family’s income is going to support government or pay the costs of things ordered by the government. This is not only enough, it is too much, and this is why President Bush and millions of others feel that it is time we started giving some of this tax surplus back to the people who paid it.

Mr. Speaker, and just like government, appetite for money can never be satisfied, one can never satisfy government’s appetite for land. One of the most important things we need to do to ensure future prosperity is to stop government at all levels from taking over more private property.

The Noble Prize-winning economist Milton Friedman has said, “You cannot have a free society without private property.” Over the years when government has taken private property, it has most often taken it from lower- and middle-income people and small farmers.

Today, Federal, State, and local governments and quasi-governmental units and agencies now own about half the land in this Nation. The most disturbing thing is the rapid rate at which this taking has increased in the last 40 years.

Environmentalists who have supported most of this taking should realize that the worst polluters in the world have been the socialist nations, because their economies do not generate enough income do good things for the environment, and that private property is almost always better cared for than public property, and at much lower cost.

There is a very dangerous plan, Mr. Speaker, being pushed by some liberal elitists and wealthy environmental extremists called the Wildlands Project. This project envisions taking 50 percent of the land now in private hands into wilderness. If people do not think their property would ever be taken, they should just look around at all the land around them that government has already taken. We do not need more industrial parks, for example, where land is taken from small farmers or lower- or middle-income people and then given later to big multinational corporations, or land is taken from poor people and used for some project that enhances its value and then sold for big prices to rich people later on.

We had a policy of no net loss of wetlands. What we need now is a policy of no net loss of private property, requiring government to sell off some of its land to private owners for every new acre they take from lower- and middle-income people.

Private property, Mr. Speaker, is a very important part, a basic part of the freedom we have always treasured so highly in this Nation.

The SPEAKER pro tempore (Mr. SIMMONS). Under a previous order of the House, the gentlewoman from Hawaii (Mrs. MINK) is recognized for 5 minutes.

(Mrs. MINK of Hawaii addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

PUBLICATION OF THE RULES OF THE COMMITTEE ON EDUCATION AND THE WORKFORCE 107TH CONGRESS

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

Mr. BOEHNER. Mr. Speaker, pursuant to Rule XI, Clause 2 of the Rules of the House of Representatives, I respectfully submit the rules for the 107th Congress for the Committee and its subcommittees and for publication in the CONGRESSIONAL RECORD.
committee and subcommittee hearings shall be initiated by the Chairman, followed by the ranking minority party member and all other members alternating between the majority and minority party in order of their seniority. The method for selection of chairmen of the full committee shall be by majority vote, except that the ranking minority party member shall be ex officio chairman of each subcommittee. A quorum of the full committee shall be five members, excluding the ex officio chairman.

RUL 2. RECORDS AND ROLLCALLS

(a) Written records shall be kept of the proceedings of the committee and of each subcommittee, including a record of the votes taken and the names of those members present but not voting. 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.

(b) In accordance with Rule VII (c) of the Rules of the House of Representatives, any subcommittee may question witnesses only after consultation with the Chairman.

(c) The official permanent records of the committee (including subcommittees) delivered by the Clerk of the House of Representatives to the Archivist of the United States for preservation at the National Archives and Records Administration, which are the property of the committee, shall be equal for the majority party and the minority party and may not exceed one hour in the aggregate.

RUL 3. STANDING SUBCOMMITTEES AND JURISDICTION

(a) There shall be five standing subcommittees. The method for selection of chairmen of the full committee shall be by majority vote, except that the ranking minority party member shall be ex officio chairman of each subcommittee. The chairman of each subcommittee shall have the following jurisdictions:

1. Subcommittee on Education Reform—Education from preschool through the high school level including, but not limited to, elementary and secondary education generally, special education, preschool programs including the Head Start Act, school lunch and child nutrition, and overseas dependent schools; special education programs, including bilingual and multicultural education; special education for children with giftedness; and special education programs for children with disabilities; and, in addition, oversight of compulsory union dues.

2. Subcommittee on Workforce Protections—Wages and hours of labor including, but not limited to, Davis-Bacon Act, Walsh-Healey Act, Fair Labor Standards Act (including child labor), workplace compensation generally, Longshore and Harbor Workers’ Compensation Act, Federal Employees’ Compensation Act, Migrant and Seasonal Agricultural Workers Protection Act, Service Contract Act, Family and Medical Leave Act, Worker Adjustment and Retraining Notice Act, Employee Polygraph Protection Act of 1988, workers’ health and safety including, but not limited to, occupational safety and health, mine health and safety, farm safety and health, agricultural labor health and safety; and, in addition, oversight of compulsory union dues within the jurisdiction of another subcommittee.

3. Subcommittee on Employer-Employee Relations—All matters dealing with relationships between employers and employees generally, including, but not limited to, the National Labor Relations Act, Bureau of Labor Statistics, pension, health, and other employee benefits, including the Employee Retirement Income Security Act (ERISA); all matters related to equal employment opportunity and civil rights in employment.

4. Subcommittee on Workforce Protections—Wages and hours of labor including, but not limited to, Davis-Bacon Act, Walsh-Healey Act, Fair Labor Standards Act (including child labor), workplace compensation generally, Longshore and Harbor Workers’ Compensation Act, Federal Employees’ Compensation Act, Migrant and Seasonal Agricultural Workers Protection Act, Service Contract Act, Family and Medical Leave Act, Worker Adjustment and Retraining Notice Act, Employee Polygraph Protection Act of 1988, workers’ health and safety including, but not limited to, occupational safety and health, mine health and safety, farm safety and health, agricultural labor health and safety; and, in addition, oversight of compulsory union dues within the jurisdiction of another subcommittee.

5. Subcommittee on Select Education, programs and services for the care and treatment of certain at risk youth, including the Juvenile Justice and Delinquency Prevention Act and programs to prevent and treat child abuse and domestic violence, including the Child Abuse Prevention and Treatment Act, and child adoption and custody programs; School to Work Opportunity Act; library services and construction, and programs related to the arts and humanities, museums, arts services, and arts in education.

RUL 4. SPECIAL ASSIGNMENT OF MEMBERS

To facilitate the oversight and other legislative and investigative activities of the committee, the Chairman of the committee may, at the request of a subcommittee chairman, make a temporary assignment of any number of the members of such subcommittee for the purpose of constituting a quorum or of enabling such member to participate in any public hearing, investigation, or study by such subcommittee held outside of Washington, DC. Any member of the committee may attend public hearings of any subcommittee, and any member of the committee may call a hearing only when they have been recognized by the Chairman for that purpose.

RUL 7. SUBCOMMITTEE CHAIRMANSHIP

The method for selection of chairmen of the standing subcommittees shall be by majority vote of the full committee Chairman, unless a majority of the majority party members of the full committee disapprove of the action of the Chairman.

RUL 8. SUBCOMMITTEE SCHEDULING

Subcommittee chairmen shall set meeting dates after consultation with the Chairman.
and other subcommittee chairmen with a view toward avoiding simultaneous scheduling of committee and subcommittee meetings or hearings, wherever possible. Available dates for meetings shall be submitted to the Chairmen of the committees of the House to which the bills have been referred, and shall be considered by the Chairman to the committees as nearly as practicable in rotation and in accordance with their workloads. Committee meetings shall be scheduled simultaneously. As far as practicable, the Chairman shall not schedule a subcommittee markup during a full committee markup, nor shall the Chairman schedule any hearing during a markup.

RULE 9. SUBCOMMITTEE RULES

The rules of the committee shall be the rules of its subcommittees.

RULE 10. COMMITTEE STAFF

(a) The distinguished or other member of the committee shall be appointed by the Chairman in consultation with subcommittee chairmen and other minority party members of the committee with the advice and consent of the minority party members of the committee shall determine within the budget approved for such purposes by the committee.

(b) The staff appointed by the minority shall have their remuneration determined in such manner as the minority party members of the committee shall determine within the budget approved for such purposes by the committee.

RULE 11. SUPERVISION AND DUTIES OF COMMITTEE STAFF

The staff of the committee 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 authority as he determines appropriate. The staff appointed by the minority shall be under the general supervision and direction of the minority party members of the committee, who may delegate such authority as they determine appropriate. All committee staff shall be assigned neither to the House nor to any other body or division of the House, and no other duties may be assigned to them.

RULE 12. HEARINGS PROCEDURE

(a) The Chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall make public announcement of the date, place, and subject matter of any hearing to be held on any matter not at least one week before the commencement of that hearing unless the committee or subcommittee determines that there is good cause to begin such hearing at an earlier date. In the latter event, the Chairman or the subcommittee chairman, as the case may be, shall make such public announcement at the earliest possible date. To the extent practicable, the Chairman or the subcommittee chairman shall make public announcement of the final list of witnesses scheduled to testify at least 48 hours before the commencement of the hearing. The staff director of the committee shall promptly notify the Clerk of the House or the Clerk of the House of Representatives of any hearing scheduled to be conducted by the committee or subcommittee.

(b) All opening statements at hearings conducted by the committee or any subcommittee shall be limited to the time allotted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by the committee, and the appropriate subcommittee chairman, in the case of hearings to be conducted by a subcommittee, shall file with the staff director of the committee a statement of their proposed testimony, together with a brief summary thereof, and shall limit their oral presentation to a summary statement thereof. The committee shall promptly furnish to the staff director of the minority a copy of such testimony submitted to the committee pursuant to this rule.

(c) To the extent practicable, witnesses who are to appear before the committee or a subcommittee shall file with the staff director of the committee, at least 48 hours in advance of the commencement of hearing, a written statement of their proposed testimony, together with a brief summary thereof, and shall limit their oral presentation to a summary statement thereof. The committee shall promptly furnish to the staff director of the minority a copy of such testimony submitted to the committee pursuant to this rule.

(d) When any hearing is conducted by the committee or any subcommittee upon any measure or matter, the minority party member or a designee may also make a statement. If a witness scheduled to testify at least 48 hours before the commencement of the hearing. The staff of the committee shall be under the general supervision and direction of the Chairman, who may delegate such authority as he determines appropriate. All committee staff shall be assigned neither to the House nor to any other body or division of the House, and no other duties may be assigned to them.

RULE 13. REPORTS OF SUBCOMMITTEES

(a) Subcommittees are authorized to hold hearings on matters referred to them and report to the committee for final action, together with such recommendations as may be agreed upon by the subcommittee. No such report shall be filed with the Clerk with respect to that measure or matter unless it be held outside of Washington, DC, or during a recess or adjournment of the House unless the prior authorization of the committee Chairman. Where feasible and practicable, 14 days’ notice will be given of each meeting at which such matters shall be held.

(b) One-third of the members of the committee or subcommittee may be present with quorum for taking any action other than amending committee rules, closing a meeting from the public, reporting a measure or matter, or authorizing a subcommittee hearing. For the purpose of taking testimony and receiving evidence.

(c) When a bill or resolution is being considered by a subcommittee, members shall provide the clerk in a timely manner a sufficient number of written copies of any amendment offered, so that as to enable each member to receive a copy thereof prior to taking action. A point of order may be made against any amendment not reduced to writing. A copy of each such amendment shall be maintained in the public records of the committee or subcommittee, as the case may be.

(d) In the conduct of hearings of subcommittees sitting jointly, the rules otherwise applicable to all subcommittees shall likewise apply to joint subcommittee hearings and shall not apply to committee hearings for purposes of such shared consideration.

(e) No person other than a Member of Congress or Congressional staff may walk in, stand in, or work in any area used during a meeting or hearing of the committee or subcommittee unless authorized by the Chairman.

RULE 14. SUBPOENA AUTHORITY

The power to authorize and issue subpoenas is delegated to the Chairman of the full committee, as provided for under clause 2(m)(3)(A)(ii) of Rule XI of the Rules of the House of Representatives. The Chairman shall notify the ranking minority member prior to issuing any subpoena under such authority. To the extent practicable, the Chairman shall notify the ranking minority member at least 48 hours in advance of a subpoena being issued under such authority, excluding Saturdays, Sundays, and federal holidays. As soon as practicable after issuing any subpoena under such authority, the Chairman shall notify in writing all members of the committee of the issuance of the subpoena.

RULE 15. REPORTS OF SUBCOMMITTEES

(a) Whenever a subcommittee has ordered a bill, resolution, or other matter to be reported, the chairman of the subcommittee reporting the bill, resolution, or matter to the committee, or any member authorized by the subcommittee to make an oral report shall give such report promptly to the committee, or to any member authorized by the subcommittee to make an oral report shall give such report promptly to the committee, or to any member authorized by the subcommittee to make an oral report shall give such report promptly to the committee, or to any member authorized by the subcommittee to make an oral report shall give such report promptly. It shall be the duty of the chairman of the subcommittee to report or cause to be reported promptly such action, or matter to the committee. It shall be the House.

(b) In any event, the report, described in the proviso in subsection (d) of this rule, of any subcommittee on a measure which has been approved by the subcommittee shall be filed within seven 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 House of Representatives a written request, signed by a majority of the members of the subcommittee, for the reporting of that measure. Upon the filing of such request, the Chair or the staff director of the subcommittee shall transmit immediately to the chairman of the subcommittee a notice of the filing of that request.

(c) All committee or subcommittee reports submitted pursuant to legislative study or investigation and not approved by a majority of the committee or subcommittee, as appropriate, shall contain a written statement from the chairman or staff director of the report or cause to be taken the necessary steps to bring such bill, resolution, or matter to a vote.

RUL H 16. VOTES

With respect to each rollcall vote on a motion to report any bill, resolution or other matter or investigation, and the existence of the required number of votes therefor, 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.

RULE 17. AUTHORIZATION FOR TRAVEL

(a) Consistent with the primary expense resolution and additional expenses resolutions as may have been approved, the provisions of this rule shall govern travel of committee members and staff. Travel to be paid for shall be for the full committee for any member or any staff member shall be paid only upon the prior authorization of the Chairman. Travel may be authorized only for any member and any staff member in connection with the attendance of hearings conducted by the committee or any subcommittee thereof and meetings, and investigations which involve activities or subject matter under the general jurisdiction of the committee. The Chairman shall review travel requests to assure the validity to committee business. 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 to be made; and
(3) the location of the event for which the travel is to be made; and

(4) the names of members and staff seeking authorization.

(b) (1) In the case of travel outside the United States of members and staff of the committee, purposes of conducting hearings, investigations, studies, or attending meetings and conferences involving activities or subject matter under the legislative assignment of the committee or pertinent subcommittees, 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 statement of the purpose for which the travel is 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 or subcommittee.

(3) The Chairman shall not approve a request involving travel outside the United States which is in session (except in the case of attendance at meetings and conferences or where circumstances warrant an exception).

(4) At the conclusion of any hearing, investigation, study, meeting, or conference for which travel outside the United States has been authorized pursuant to this rule, each subcommittee and members and staff attending meetings or conferences shall submit a written report to the Chairman covering the activities of the subcommittee and containing, if appropriate, the results of the meeting, and all other pertinent observations or information gained as a result of such travel.

(c) 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 the Consolidated Appropriations Act pertaining to such travel, including rules, procedures, and limitations prescribed by the Committee on House Administration with respect to domestic and foreign expense allowances.

(d) Prior to the Chairman’s authorization for any travel, the ranking minority party member shall be given a copy of the written request therefor.

RULE 18. REFERRAL OF BILLS, RESOLUTIONS AND OTHER MATTERS

(a) The Chairman shall consult with subcommittee chairmen in making referral, to the appropriate subcommittees, of such bills, resolutions, and other matters, which have been referred to the committee. Once printed copies of a bill, resolution, or other matter are available to the Committee, the Chairman shall, within three weeks of such availability, provide notice of referral, if any, to the appropriate subcommittee.

(b) Referral to a subcommittee shall not be made until three days have elapsed after the previous referral to all subcommittee chairmen, at which time such proposed referral shall be made unless one or more subcommittee chairmen, and, after consultation with the Chairman of the full committee and to the chairman of each subcommittee that he [or she] intends to question such proposed referral at the next regularly scheduled meeting of the committee, or at a special meeting of the committee called for that purpose, at which time referral shall be made by the majority members of the committee. All bills shall be referred under this rule to the subcommittee of proper jurisdiction without regard to whether the author is or is not a member of the subcommittee; and to the other matter referred to a subcommittee in accordance with this rule may be recalled therefrom at any time by a vote of the majority members of the committee for the committee’s direct consideration or for referral to another subcommittee.

(c) All members of the committee shall be given at least 48 hours’ notice prior to the direct consideration of any bill, resolution, or other matter by the committee; but this requirement may be waived upon determination by the Chairman that emergency or urgent circumstances require immediate consideration thereof.

RULE 19. COMMITTEE REPORTS

(a) All committee reports on bills or resolutions shall comply with the provisions of clause 2 of Rule IX and clauses 2, 3, and 4 of Rule XIII of the Rules of the House of Representatives.

(b) No such report shall be filed until copies of the proposed report have been available to all members at least 36 hours prior to such filing in the House. No material change shall be made in the distribution of copies to members unless agreed to by majority vote; but any member or members of the committee may file, as a part of the printed report, individual minority or dissenting views, without regard to the preceding provisions of this rule.

(c) Such a period shall not conclude earlier than the end of the period provided under clause 4 of Rule XIII of the Rules of the House of Representatives after the committee has considered the matter if a member, at the time of such approval, gives notice of intention to file supplemental, minority, or additional views for inclusion as part of the report.

(d) The report on activities of the committee required under clause 1 of Rule XI of the Rules of the House of Representatives, shall include the following disclaimer in the document transmitting the report to the Clerk of the House: This report has not been referred to the Committee on Appropriations for consideration or for referral to any subcommittee thereof and therefore may not necessarily reflect the views of its members.

RULE 20. MEASURES TO BE CONSIDERED UNDER SUSPENSION

A member of the committee may not seek to suspend the Rules of the House on any bill, resolution, or other matter which has been modified after such measure is ordered reported, unless notice of such action has been given to the Chairman and ranking minority member of the full committee.

RULE 21. BUDGET AND EXPENSES

(a) The Chairman in consultation with the majority party members of the committee and the minority party members of the committee shall prepare a preliminary budget. Such a budget shall include necessary amounts for staff personnel, for necessary travel, investigation, and other expenses of the committee. In the case of a minority party membership, the Chairman shall include amounts budgeted to the minority party members for staff personnel to be under the direction and supervision of the minority party, travel expenses of minority party members and staff, and minority party office expenses. All travel expenses of minority party members and staff shall be paid for out of the amounts so set aside and budgeted. The Chairman shall take whatever action is necessary to have the budget as finally approved by the committee and the Chairman of the committee at least 7 days prior to its submission to the House, and the Chairman may execute necessary vouchers therefor.

(b) Subject to the rules of the House of Representatives and any processes prescribed by the Committee on House Administration, and with the prior authorization of the Chairman of the committee in each case, there may be expended by the Committee on House Administration, for necessary travel expenses of witnesses attending hearings in Washington, D.C.

(1) out of funds budgeted and set aside for each subcommittee, not to exceed $5,000 for expenses of witnesses attending hearings of each such subcommittee;

(2) out of funds budgeted for the full committee majority, not to exceed $5,000 for expenses of witnesses attending full committee hearings; and

(3) out of funds set aside to the minority party members, not to exceed, for each of the subcommittees, $5,000 for expenses of witnesses attending subcommittee hearings, and

(4) not to exceed $5,000 for expenses of witnesses attending full committee hearings.

(c) A full and detailed monthly report accounting for all expenditures of committee funds shall be maintained in the committee office, where it shall be available to each member of the committee. Such report shall show the amount and purpose of each expenditure, and the budget to which such expenditure is attributed.
RULE 22. APPOINTMENT OF CONFEREES AND NOTICE OF CONFERENCE MEETINGS

(a) Whenever in the legislative process it becomes necessary to appoint conferees, the Chairman shall recommend to the Speaker as conferees of those members of the subcommittee which handled the legislation in the order of their seniority upon such subcommittee and such other committee members as the Chairman may designate with the approval of the majority party members. Recommendations of the Chairman to the Speaker shall provide a ratio of majority members to minority party members no less favorable to the majority party than the ratio of majority members to minority party members on the full committee. The subcommittee chairman, or the Chairman of the Committee shall consult with the ranking minority party member of the committee.

(b) Whenever conferees pursuant to clause 11 of Rule I of the Rules of the House of Representatives for matters within the jurisdiction of the committee, the Chairman shall notify all members appointed to the conference of meetings at least 48 hours before the commencement of the meeting. If such notice is not possible, then notice shall be given as soon as possible.

RULE 23. BROADCASTING OF COMMITTEE MEETINGS AND HEARINGS

(a) Television, Radio and Still Photography. Whenever a meeting or hearing conducted by the Committee or any subcommittee is open to the public, those proceedings shall be open to coverage by television, radio, and still photography subject to the require-ments of Rule XI, clause 4 of the Rules of the House of Representatives and except when the hearing or meeting is closed pursuant to the provisions of Rule XI, clause 4 of the Rules of the House of Representatives and of the Committee. The coverage of any hearing or meeting 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 meeting or hearing.

(b) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents’ Galleries.

(c) Personnel providing coverage by still photography shall be under the direct supervision of the Chairman of the Committee, the subcommittee chairman, or other member of the Committee comprising the Committee.

RULE 24. CHANGES IN COMMITTEE RULES

(a) Television, Radio and Still Photography. (1) Where a meeting or hearing conducted by the Committee or any subcommittee is open to the public, those proceedings shall be open to coverage by television, radio, and still photography subject to the require-ments of Rule XI, clause 4 of the Rules of the House of Representatives and except when the hearing or meeting is closed pursuant to the provisions of Rule XI, clause 4 of the Rules of the House of Representatives and of the Committee. The coverage of any hearing or meeting 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 meeting or hearing.

(b) Personnel providing coverage by the television and radio media shall be then currently accredited to the Radio and Television Correspondents’ Galleries.

(c) Personnel providing coverage by still photography shall be under the direct supervision of the Chairman of the Committee, the subcommittee chairman, or other member of the Committee comprising the Committee.

RUL 25. CHANGES IN COMMITTEE RULES

The committee shall not consider a proposed change in these rules unless the text of such change has been delivered or electronically sent to all member and notice of its prior consideration has been in the hands of all members at least 48 hours prior to such consideration; a member of the Committee shall receive, upon his or her request, a paper copy of the such proposed change.

EVENTS IN THE UKRAINE

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

Mr. KUCINICH. Mr. Speaker, Ukraine is a country that was at one time a satellite of the Soviet Union, and 10 years ago it moved towards its own independence. Our President, Ronald Reagan, stood before the world and said, “Tear down that wall.” And when the wall fell there were so many nations across the Soviet Union that became free, and Ukraine was one of those nations.

Ukraine, in declaring its independence, established the rights of its citizens, the same rights that are the bedrock of our democracy here in America. Freedom of speech, the right to assemble, freedom of press, and other rights that have been granted to the people of Ukraine, and they are rights that have been fundamental to the unfolding of democracy in that country.

A few months ago, a Ukrainian journalist by the name of Heorhiy Gongadze, remember that name, it is an unusual name, but remember it, Heorhiy Gongadze, a Ukrainian journalist who challenged the government of his country, as journalists do here every day, Georgiy Gongadze was found dead. His head was cut off. His hands had their fingerprints removed, obviously with acid, and his hand was protruding from the shallow grave that his body had been put in.

After that, tapes were discovered, tapes that had been recorded by a member of the Presidential security staff in Ukraine, tapes were discovered that had the voice of the President of Ukraine on those tapes, although the government denies it is his voice, and the President of the Ukraine was calling upon someone to get rid of this journalist; very clear implications here, very clear implications that the President of a free nation was involved in calling for the demise of a reporter who later on turned up dead with his head cut off and his fingerprints obliterated.

As a result of this despicable crime, freedom-loving people in Ukraine began to protest; protest the government, protest what happened in the attack on the free press. They set up, as a symbol of their protest, a series of tents that went for a couple hundred yards down the main street of Kiev, the capital city. It was very impressive to see, and it was a protest that came from all levels of Ukrainian culture and society, from young and old, from the political left and the political right, from the political center, from nongovernment organizations, members of the media, and from members of the Ukrainian Rada, all involved in this protest.

The protests had been going on in this tent city for 2 months. A U.S. congressional delegation led by the gentleman from Pennsylvania (Mr. WELDON), a delegation that I was proud to be a member of, visited Ukraine last week, and we met with members of the press who expressed their concern about freedom of the press, about the chilling effect which the murder of this reporter had on free press in Ukraine.

We met with members of the non-government organizations who expressed concern about this tendency to drift away from democracy that the government had shown. We went, and some of us visited this tent city and actually talked to the people.

We had the opportunity to meet with the President of Ukraine in a 2-hour-and-15 minute meeting. During that meeting, the President assured us that he stood for freedom of press, that he stood for freedom of speech, that he stood for the right of assembly, those same rights that we know so well, those same rights that were accorded to the people of Ukraine.

We were asked by the media before we left, what would happen if, after we left, these tents came down? Because it was thought that our presence there discouraged any effort to remove the tent.

We found out the answer today, because once the congressional delega-tion left, the government ordered the police to remove the tents, protesters arrested, tents thrown in the truck. An area known as Independence Square is really off in Kiev, where there is a statue of St. Michael sitting in the middle of that square that is boarded off, and people cannot even gather together.

There will be consequences, I say to President Kuchma, for his denial of the right of assembly and freedom of speech in his country. The international community is watching; the whole world is watching.

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

Mr. FOLEY. Mr. Speaker, I rise to address the House. His remarks will appear hereafter in the Extensions of Remarks.

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

Mr. MILLER. Mr. Speaker, I rise to address the House. His remarks will appear hereafter in the Extensions of Remarks.

ROLE MODELS AND BLACK HISTORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ROSS) is recognized for 5 minutes.
Mr. ROSS, Mr. Speaker, promoting awareness of black history throughout the month of February allowed all of us an opportunity to not only learn from the past, but also remind ourselves and others about the importance of practicing acceptance and inclusion. However, black history, recognized in February, it does not stop today, on March 1. If it truly is history in February, it is also history in March through January. That is why I decided to make these remarks today, rather than wait until later.

I am pleased that our Nation has chosen to recognize and celebrate the history of the African American culture. History teaches us that every culture and every society endures good and bad, and it is essential that we continue to learn from our past.

From the days of early American statehood, when African Americans like Harriet Tubman and many others fought to gain freedom from slavery, to the continuing civil rights movement fostered by the determination of individuals such as Rosa Parks, Daisy Bates, and Dr. Martin Luther King, Jr., to our current times today, African Americans have played a vital role in America's history.

Last month, as we celebrated Black History Month, I was reminded of how the contributions of African Americans have had a particular influence on my life. Growing up during the 1960s and 1970s in south Arkansas in small towns like Emmet, Hope, and Prescott, I was fortunate to be among the first generation to attend integrated public schools.

Those were difficult times for our Nation, but as the son of public school educators, I was taught early on that blacks and whites could live and work together and value each other's differences.

As many small schools did at that time, the elementary school in Emmet combined two grades in each classroom. The teachers had close relationships with the students, and had a profound influence on our young lives.

I remember that two particular teachers played a special role in my upbringing as a young student, perhaps because they were both African American, or perhaps because they were simply warm, caring individuals. Their names were Velma Rowe and Corrine Gilbert.

Ms. Rowe and Ms. Gilbert always went the extra mile to make a difference in our lives as students, whether it was providing encouragement when we were having trouble keeping up, guiding us in discipline when we stepped out of line, or congratulations for a job well done.

I may have been too young at that time to fully understand the history of racial inequality in our country, but looking back, they gave me a special insight into the important roles African Americans in our community and in our society. The impact of their example as teachers and as leaders in the African American community helped to shape my view, as I grew older, that we must all work together to accept each other and respect our differences.

In class, Ms. Rowe and Ms. Gilbert taught all of us that we were each important as individuals, no matter what our background, no matter whether we were rich or poor, and that we must show respect for all those around us. They instilled in us the value of a good education, and that, with hard work, determination, and a good heart, we could build a better world.

On Sunday, February 18, my wife, Holly, and our two children, Sydney Beth and Alex, joined me in attending the black history program at Greater Pleasant Hill Baptist Church in Arkadelphia, Arkansas. I had the privilege of participating with African Americans, young and old, in the program, which highlighted historical accomplishments of African Americans, named by using each letter of the alphabet from A to Z.

The service was a great opportunity for my family and me to reflect on how far we have come in the last 150 years towards the goal of racial harmony in this country, and yet, how far we still have to go in the continued battle for civil justice.

As I told Pastor Lewis Shepherd's congregation following the program, we must continue to reflect on black history throughout the year as we work together to foster greater understanding so that we can bridge the racial gaps that still exist in today's world.

I can only imagine what it was like for Ms. Rowe and Ms. Gilbert when they were growing up in the segregated South, and what challenges and obstructions they had to face each and every day.

As adults, they used their lives and experiences to bring people together and to serve as role models for me and so many students. Our challenge is to be the Ms. Rowes and Ms. Gilberts of today.

THE SITUATION IN UKRAINE

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

Mr. WELDON. Mr. Speaker, I rise to continue the efforts started by my colleagues here this afternoon regarding the situation in Ukraine.

I just had the pleasure of leading a delegation to Russia, Ukraine, and Moldova, where our primary purpose was to reestablish strong ties with the people of those three countries; to announce, specifically in Ukraine, the establishment of a new interparliamentary dialogue between the Rada and the American Congress.

While meeting in Ukraine, we were scheduled to have a 30-minute meeting with the President of that country, President Kuchma. The meeting lasted for 2 hours and 15 minutes because of the current turmoil in Ukraine relative to the murder and the atrocities committed against a reporter, and the evidence that some have put forth indicating a tape with supposedly or allegedly President Kuchma's voice ordering the assassination of the reporter.

In our meeting with President Kuchma, we pleaded with him that Ukraine had to abide by the rule of law and had to maintain the freedom of the press. We offered the support of our Federal Bureau of Investigation to the Ukrainian government to fully investigate this incident, so that everyone in the world would know the facts about this particular incident.

While we reaffirmed to President Kuchma that we were not there to try to impose our will on the people of Ukraine, it was absolutely essential that the rights guaranteed by any democracy under a Constitution such as that which Ukraine is now under be upheld and be maintained.

It is absolutely devastating that today we hear that Ukraine has taken a step in the wrong direction. Mr. Speaker, this is not good news for America. It is not good news for Ukraine, nor the Ukrainian people.

I call upon President Kuchma and the Ukrainian government as friends of Ukraine wanting to support more enhanced cooperation to reestablish the basic principles of a free democracy, to reestablish the principles of freedom of speech and freedom of assembly, to reestablish the principle of the rule of law, to have a full and complete investigation of the murder of Mr. Gongadze wherever it might lead.

Unfortunately, if these steps are not taken, my prediction is that this Congress will act to send a signal to Ukraine that we are not happy with the steps that are being taken to reverse the progress that Ukraine has achieved over the past several years.

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the seven-member congressional delegation for his country, because the word received today does not coincide with what President Kuchma told us he would do as the leader of that great Nation.

PROBLEMS WITH ILLEGAL NARCOTICS

The SPEAKER pro tempore (Mr. SIMPSON) under the Speaker's announced policy of January 3, 2001, the gentleman from Indiana (Mr. SOUDER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SOUDER. Mr. Speaker, this afternoon and this evening I would like to talk about our problems with illegal narcotics. We have a new President. We have a new Congress. I have recently, as of 2 weeks ago, been named chairman of a subcommittee on Criminal Justice, Drug Policy, and Human Resources that deals with both the authorizing and the oversight on the narcotics question.

Today I would kind of like to lay out where we are likely to head this year and some of the fundamental issues that we will be addressing.

This subcommittee has been headed by former Congressman Bill Zeliff, by the gentleman from Illinois (Mr. Hastert), the Speaker of the House, by the gentleman from Florida (Mr. Wada), and we have been working together since the Republicans took over Congress to put an aggressive plan together with how to deal with drug abuse in America.

What we saw in 1992 to 1994 was such a dramatic rise in drug abuse in America that since 1994 we would have to have a reduction of 50 percent among young people to get back to where we were in 1992. We had been making steady progress for over a decade, but two events, in my opinion, set the whole chart in the wrong direction.

One was we cut our interdiction budget three years ago and let the drugs pour into our country, which gave a cheaper supply on the street in more purity and potency to the illegal narcotics.

Secondly, the messages were sent in our culture, including at the top of our political structure, that hey, I did not inhale, kind of joked around about drug abuse. We saw such a dramatic rise.

Let me repeat that, in 2 years drug abuse soared so much in 1992-1994 that among young people it would take a 50 percent reduction to get back to where it was the first 2 years of the Clinton administration.

Let me explain a couple of things, because I am going to talk more in detail tonight about interdiction. We just had a delegation, a congressional delegation, that went to an anti-narcotics conference in Bolivia. We were there for several days, as well as in South America and the former landing operation now in tacos in Panama. And I am going to get into that in more detail as we get into this discussion of the issue.

Because of Plan Colombia, we had, I believe, 5 congressional delegations, most from the Senate in Colombia, including ours, in the last district work period, because we have had a lot more focus in the United States on what is happening down in Colombia, not only in Congress, but with traffic that is currently a nominated movie for the Oscars.

West Wing, the TV show, in the last couple of weeks featured a question of lost Americans in Colombia and the attention to the subject.

Before I get into the details of Plan Colombia, it is important to lay out a more comprehensive approach.

Mr. Speaker, we have to eradicate the drugs at the source. We have to work to interdict it. We need to work to arrest and prosecute those who are dealing and using it. We need to work with prevention. We need to work with treatment.

That is, in fact, what we do in the budget. Frequently, those who would attract those who are trying to fight illegal narcotics say all we are concerned about is Plan Colombia. The effort in interdiction total $2.2 billion, or 17 percent of the Federal budget, and interdiction cannot be done by State and local governments.

We do not want the State of Indiana that I represent going and sending P-3 customs planes to get intelligence in the air. We do not want the State of Mississippi sending out boats to interdict in international waters. That is a Federal role.

International aid is $9 billion, or another 5 percent. So total, the international aid interdiction totals 17 percent.

Domestic law enforcement from the Federal level aid is 51 percent of our budget, $9.8 billion. What we are doing in domestic law enforcement is almost three times as much as what we do in international interdiction. That is only the Federal Government.

The State and local government also have even larger expenditures in law enforcement, the result of drug abuse in America.

In demand reduction, because sometimes we would think when we hear debates on the House floor that Plan Colombia, which is $1.2 billion, just dwarfs that. Why do we not spend it in treatment? Why do we not spend it in prevention?

We spend $3.8 billion Federal dollars in treatment and $2.5 billion in prevention, or $6.3 billion, or over twice as much as we spend in interdiction. The reason that is important is to note here is only the Federal Government can do international interdiction. State and local governments and the private sector do most prevention and treatment programs.

The amount of dollars that we spend in prevention and treatment far dwarfs what is spent, just that only Congress can do international interdiction, whereas we have many, many State and local government and private sector programs in addition to this category at the Federal level being over twice the amount as interdiction international.

Let me give my colleagues some more examples, because every once in a while somebody will say to me, why are we down in Central and South America or here, why are we so focused on interdiction and why are we not more focused on prevention and treatment?

Mr. Speaker, I also serve on the Committee on Education and the Workforce, and I have worked with the drug free, safe schools program. I also have an amendment currently, arguably the most unpopular amendment in the college campuses in America, where I said if you were convicted of either dealing or using illegal narcotics ability to people who about to be, you would lose your loan for one year unless you go through a treatment program and tested clean twice.

If you are caught a second time, you lose your loan for 2 years, unless you go through a treatment program and tested clean twice. The third time, you cannot get a loan, which is pretty generous.

The goal here is to get people into treatment and to prevent people from getting onto drugs in the first place. If you are a dealer, by the way, that is not quite as generous a policy, it is two times.

The reason that is important is because those who say they really want prevention and treatment often criticize that amount as well. It seems like they want to criticize interdiction, but they also do not want actual accountabilities to people who about them, even if it means they will be led into a treatment program.

Rolling Stone magazine, I guess the current issue, attacks me again. They attacked me in the fall for this amendment saying somehow this is depriving, I guess, drug abuse kids of a tax-subsidized college education.

Thirdly, we have sponsored legislation that I carried through committee, and the gentleman from Ohio (Mr. PORTMAN) drafted, on community prevention grants. We have several of those in my district. The money can be used for groups like Pride in Noble County, which is in my district. It can be used for other community drug prevention programs.

We also passed legislation to help businesses assist in how to work with drug testing and drug treatment programs that are ways that are civil liberties demands of any program.

We cannot just randomly test people. We have to have an equal, fair process, multiple tests so you do not get sued. Your goal here is not to play gotcha.

Your goal here is not to play gotcha. This is not some kind of a game. We need to work with these people and help them develop programs and not mess up their lives.
The gentleman from Minnesota (Mr. RAMSTAD) and others and I have co-sponsored a bill to require drug and alcohol treatment as part of any health insurance plan. These are important to see, because tonight when I talk about interdiction, I am not saying there are not parts of the drug problem we have to deal with. We have to have a comprehensive approach.

Our committee, in addition to the interdiction, part of the way we wound up with the authorizing is ONDCP gets its budget and authorizing from our committee. General McCAFFREY is the head of that, and hopefully under this administration, the efforts and the gains we have made in the last few years will be continued, and we will not have any backup in the sense of downgrading the Drug Czar’s office or of getting rid of drug certification.

One important part, and I want to just take a minute, because this is another kind of hot issue being debated right now: President Bush meeting with President Pastrana meeting with President Bush, and that is what is the role of drug certification?

Whenever we meet with Central and South American countries and other countries around the world, they are very concerned that we have a certification process here in Congress that can pass judgment on whether their countries are working on drug certification.

They have a similar concern with human rights certification. If we drop drug certification, we certainly will be dropping human rights certification, too, because both things have the same rationale, and that is, we have certain standards on the money that we distribute that is passed through the government by the taxpayers of the United States, and we expect that the countries who get that aid or, for that matter, that drug certification is not tied to that, but it is something certain to consider, is trade.

If they want benefits from America, then we have a right to say that the American taxpayers want to make sure that they are helping us with our biggest domestic problem, and that they are helping in not using any of our funds for human rights violations.

I hope that this administration, while working in a positive way with Mexico and the other South and Central American countries, will not drop the drug certification process or ask Congress to drop, because these would be bad signals, much like the bad signals that were sent out at the beginning of former President Clinton’s administration. We do not want to have bad signals come out here at the beginning of President Bush’s administration, even if that would not be his direct intent.

There are some difficulties. I admit that there are difficulties. For example, in the President’s budget, do we keep the drug free and safe schools, or do we block grant more funds to give State and local schools more of an opportunity to make the decisions what they want to spend it on? Because if we do, in fact, only create five grant categories, as is potentially going to come in the President’s education bill, that means we could be eliminating the only funds that we have to go through the Federal Government, or the primary one, which is safe and drug free schools. That will be a difficult question that we have to address.

Secondly, we have in the faith-based question that our faith-based office, how do you deal with the fact that many of the most effective drug abuse programs, for example, Teen Challenge, Victory Life Temples in Texas, many of the most effective programs in America are religious-based, and how do we make sure that people who are not comfortable with the religious orientation, religious content-driven curriculum have alternatives because we cannot force and should not force anyone into a program that they do not agree with, those programs are very effective because it can change somebody’s heart. You can often get them off drugs; otherwise, they often learn just how to scam the system.

We also have to face a very difficult fact; not only has it been hard to eliminate drugs at the source country level, but quite frankly, the success喜 the facts on everything from drug courts, which I support, to drug treatment programs, which I support, to drug free schools programs, which I support, have mixed effectiveness records as well. Sometimes it is a small amount of dollars.

If your drug treatment program is not long enough, the person does not get completely rehabilitated. Sometimes it is dollars at the schools levels. Their dollars are so little that what they can do is a very ineffective because it can change somebody’s heart. You can often get them off drugs; otherwise, they often learn just how to scam the system.

We have to figure out how to make the dollars effective. There are other reasons why they are not as effective either. We have to look at those. Are they targeting the right people? Is the message something that actually appeals to kids or do the messages appeal more to adults?

Then another big question that was tackled under General McCaffrey as Drug Czar was a media campaign. We had a national media campaign that looked in lump sum like a lot of dollars, but compared to what people were getting hit with in the movies and on television and, in particular, in rock music, it was a little tiny dribble in a huge ocean, and was our ad campaign very successful in changing people’s attitudes, and how do we do that.

A lot of the questions that we are going to deal with in treatment and prevention are also very difficult. It is not just that what is happening in Colombia is difficult, but what is happening in law enforcement is difficult, it is also difficult in prevention and treatment.

Some people say, well, it is just hopeless. We should just give up. We cannot eliminate drug abuse.

I happen to believe that the core problem is sin, because as long as people are going to sin, which they always will, it is going to be very difficult to get rid of. Even if you think that the premise and want to say well, the problems are familial breakup, their lack of economic opportunity, there is self-esteem problems, all of which are, to a degree, true, and certainly they are mostly intractable problems.

We cannot in the Federal Government say every family has to stay together. We have to make sure that every single person gets a job. We cannot pass a law to say that your self-esteem must be high. Obviously we cannot do that, but we need to work towards those things.

Mr. Speaker, we know that 70 to 85 percent of all crime in America is alcohol and illegal narcotics related. We hear about so-called victimless crime where someone is thrown in jail for using a small amount of marijuana. I would like to see the difference. We are not very many. The bulk of crime that is drug related is robbery, assault, to get money or it is because the illegal narcotics has been an enabler and have resulted in child abuse, spouse abuse, rape, you name the problem. 70 to 85 percent of those problems are drug and alcohol related. It is clearly the biggest and least enabling problem that we have in this country.

Do we just give up? People say Congress has spent a lot of money, and has not eliminated drug abuse. Do we just give up. We have been spending money trying to eliminate child abuse since America was founded. Do we just give up? We have been trying to eliminate spouse abuse. Do we just give up? We have been trying to eliminate rape in America. Do we just give up? Of course not.

If you think that the drug war is something that takes 12 months or 24 months, you do not understand the nature of the problem. This is a problem that comes up every time young people are born, move into elementary and into junior high years, start to be exposed to the temptations, you have a whole other market that has to be re-educated, that looked in lump sum like a lot of dollars, but compared to what people were getting hit with in the movies and on television and, in particular, in rock music, it was a little tiny dribble in a huge ocean, and was our ad campaign very successful in changing people’s attitudes, and how do we do that.

A lot of the questions that we are going to deal with in treatment and prevention are also very difficult. It is not just that what is happening in Colombia is difficult, but what is happening in law enforcement is difficult, it is also difficult in prevention and treatment.

There is a flaw in America of “medicinal” use of marijuana, implying that there is anything in marijuana that is good, rather than it has one subcomponent in it that can be helpful in alleviating vomiting when you take certain things for that. That subcomponent can be isolated and used other ways. Much like there is probably one good component in arsenic, there is
probably one good chemical component in most things. But marijuana is not medicinal. Marijuana is different than any other cigarette except that it is more potent and more dangerous than other cigarettes.

Mr. Chairman, for example, that kind of fade and the legalization fade, today in Washington we have an assistant health minister from the Netherlands bragging on C-SPAN earlier today and other places about how great the Netherlands program has been. Anybody who has heard of the drug estacy in America and knows how it is ripping apart, starting on the East Coast and moving into the West gradually, and see what it is doing to individuals and young kids in our country, thank the Netherlands.

Their legalization program have made them the home port for the entire world for synthetic drugs. They can talk about how great their legalization program has worked, but they are the biggest problem for the cops in my hometown, and yet they have the nerve to tell the world how great their legalization program is working.

Mr. Speaker, I wanted to go through the countries for before I move to Plan Colombia. First, on this chart let me illustrate a couple of fundamental points about the drug question. We have a hearing tomorrow morning at 9:30 where we are going to have General Pace in from SOUTCOM, the military command structure of our Department of Defense that has the area south of Mexico and in South America with Randy Beers, who is the narcotics chief in the State Department, and also Mr. Marshall, who is the director of the DEA to talk about Plan Colombia in particular.

We know where the drugs come from, and we know where they come into the United States. That said, it is still hard to get control of it. Colombia, Peru, and Bolivia, the south and south, the Andean region, constitute basically 100 percent of the cocaine that comes into America, almost all of the heroin that is currently in America with the exception of some Asian heroin in the West, and most of our high-grade marijuana in America. So we know where it comes from and how it gets here.

It comes through the western Caribbean, through the eastern Pacific, often then up through Mexico, occasionally up increasingly through the Caribbean corridor which has gone down as low as 30 percent, as high as 88 percent, it depends where the pressure is. Now, if you look at this, it gets harder as the drugs move from the source country. And understand Colombia, Bolivia and Peru are not little countries. They are together about the same size as the United States, so it is still a large area to cover. As they move into whole Caribbean Sea and the eastern Pacific and can come into the United States any direction and much of it also goes to Europe and Asia, it becomes more difficult as we move from those countries.

The next thing is that in Colombia, it is also clear that coca and heroin poppy are not grown everywhere in the Andean country. While they can be grown in other places, it tends to be that the coca is concentrated near the equator with a certain elevation, and you can get much better grades in some parts of these countries. Furthermore, the heroin poppy basically needs a high temperature, lots of humidity, that is why the Equator, at 8,000 feet or above. So within these countries, and they have pretty big areas, some places. Furthermore, in those countries they do not want to be where there are population centers or roads because then it is easier for the military and the police to get them.

In Colombia there are two basic regions where the coca is grown. What has happened over the last few years for those who say that this is a hopeless battle, Bolivia at one point, because of the Chapare and Camiri areas being such a great area to grow coca, once produced 30 to 50 percent of the coca production. It is now down to less than 10 with their President committed it getting it zero in the next few years through working with alternative development.

In Peru that used to be producing 30 to 40 percent, they made dramatic efforts to reduce it in Peru. Now, the instability of their current governmental situation leads the vulnerability back towards Peru. Ecuador, which is right up and right near the big cocaine area of Colombia, has not had the same level of growing of coca for a number of reasons. But they are very worried that this may spread to them along the Putamayo River.

Now, there are a number of reasons. One is the road system is a little more developed in the areas, that there is so much instability, and Ecuador has never been a target, five Presidents in 15 years. The tradition has been more in Colombia partly for access to the United States.

Let me illustrate one other thing. What is our compelling national interest in this? I have been going on about 70 to 85 percent of our crime in America being related to drug abuse. But it is more than just that.

Panama here, for those who are historians realize that this really is Colombia and was made Panama when Colombia was not take our offer when we wanted to build the canal there.

The narco traffickers and others, these circles represent areas where the different terrorist groups have taken over part of Colombia. We have moved into the southern part of Panama and are in danger of threatening and shutting off or at least gaining control of the Panama Canal.

We have had our military kicked out of Panama; we cannot have our AWACS and our other spy planes which were doing to interdict traffickers for the last few years, we cannot fly them out of Panama anymore. So we are busy building forward landing locations, one here in Ecuador, one over here in Aruba and Curacao. We have refueling stops up here in Honduras and in El Salvador because we have had to scatter around.

What that means is right now some of our spy planes because we so, in my opinion, botched the Panama Canal situation, that we are having to come down from Puerto Rico or way in the United States and spending so much time trying to get a plane down somewhere that they can fly around a little bit and then head back.

Now, in the Netherlands Antilles, we have had some usage of their fields, but we do not have an AWACS down there. Plus, quite frankly, the last administration diverted most of our intelligence capabilities over to the Balkan area.

Now the reason that becomes important, as I said, there is a trade nexus here. There is a drug nexus here. But that is our choke-point on oil. Seventeen percent of America’s oil comes from the Lake Maracaibo Venezuela area.

Colombia and Ecuador and Venezuela together supply more oil to America than the Middle East. We have had our attention diverted into every skirmish and every terrible human rights crisis in the world, and we are not watching in our own hemisphere. Our trade choke-point, the agriculture products that come from the Midwest and down and go to Asia come through here.

We are not watching our energy choke-point. We whine if gas hits $1.50. What if we lose this area to the narco traffickers and they have a gun to our head and gas goes to $4 or $5 a gallon. What happens to the pickup makers in my district? What happens to people who drive trucks? What happens to the people who make RVs? What happens to the people who build the ship that they have a gun to the people who make RVs? What are we going to do if we have this area fall under the narco traffickers? We have a compelling national interest in these areas.

I want to respond, too, to two other things. One is in Plan Colombia. One would think from hearing much of the debate that Plan Colombia is predominantly a military exercise.

Now, I would like to insert into the record two parts from the U.S. support for Plan Colombia document. I have marked the pages, and I will insert that.

I want to read a couple of the highlights. We are spending 25 million to establish a human-rights task force. So it is 25 million to establish a human-rights task force, 7 million to strengthen human-rights institutions, 4 million to enhance protection of human-rights workers, 15 million to witness and judicial security and witness protection in human-rights cases, 2.5 million in child exploitation. We are in a situation in human-rights protection, support for U.N. human-rights offices another million.
Then we are also investing in their governing capacity and reform to judicial system; for prosecuting or training, 4 million; for how to training judges, 3.5 million; how to train public defenders, 2 million; how to create the houses of justice, 1 million; policy reform enabling environment, 1 million. We also have different programs on asset forfeiture, on countering organized financial crime, on prison security, the police training academy, on multilateral case initiatives, and a whole series of things.

I wanted to point that out because what we realize here is our drug consumption, America has literally nearly destroyed one of the oldest democracies in South America, a democracy as old as America. The narco-terrorists represent a public support percent of 4 percent. The number of people in American prisons is approximately 1.5 percent. With one family member, they would represent 3 percent of our population.

This is not a rising up of a dissident movement in a country. These are people who predominantly are terrorists, funded by our drug habit in America that have undermined their governable systems, destroyed one of the oldest democracies in South America, a democracy destroyed in large part because of our drug consumption. America needs to do more than just sit back and watch this battle, the battle against illegal narcotics, how can we help them financially, our self-interest to help them, or they in fact will grow coca and will deal it. So it is in our self-interest to do so. Plus, I believe it is our moral duty. I believe it is our moral duty to see to it that these countries get a decent education; that there are economic opportunities for all Americans and that they can make it if they work at it. But they are not going to make $300 for 10 minutes as a lookout. Of some of these countries seem to be thinking that we are going to replace their cocaine income. No, what we want to do is, through trade policies and through helping them and their countries, get enough of an income that a mother and dad can support their kids with an acceptable life-style, where they are not hungry, where they have shelter above their heads, where they can learn to read and write and have the potential to advance themselves. And to some degree we owe it to them because we have moved and fueled this narcotics effort.

Now, they have to fight the battle there. A part of Plan Colombia I ask to insert is very clear. They have asked us for help. If they are not willing to do the fighting, if they are not willing to work to rebuild their institutions, there is not much we can do here. We have been through that before. But when people like the Colombian National Police, where they have had 30,000 police officers killed as they battled illegal narcotics, how can we not help them? The bullets being shot at them are coming predominantly with American and European money. All the battle is because in the soaring price of coca, the demand for coca, the people who grow the coca, the cocaleros, the people who deal in coca, are making $300 for 10 minutes as a lookout. I do not believe anybody who grows illegal narcotics or deals in illegal narcotics has a moral claim on us. I do not believe anybody who grows illegal narcotics or deals in illegal narcotics has a moral claim on the United States that says we must grow illegal narcotics. But I believe it is in our self-interest to help them, or they in fact will grow coca and will deal it. So it is in our self-interest to do so. Plus, I believe it is our moral duty. I believe it is our moral duty to see to it that these countries get a decent education; that there are economic opportunities for all Americans and that they can make it if they work at it. But they are not going to make $300 for 10 minutes as a lookout. Of some of these countries seem to be thinking that we are going to replace their cocaine income. No, what we want to do is, through trade policies and through helping them and their countries, get enough of an income that a mother and dad can support their kids with an acceptable life-style, where they are not hungry, where they have shelter above their heads, where they can learn to read and write and have the potential to advance themselves. And to some degree we owe it to them because we have moved and fueled this narcotics effort.

So I thank my colleagues for giving me this opportunity today. As I say, we have a hearing tomorrow on Plan Colombia. We have money in the current President's budget, and this will be a hot debate over the next few months. As our colleagues who have just been down there, with many more going in a couple of weeks, and as the national media focuses on this issue, we will hear lots more about it. I intend to come down to the House floor and continue to stress the overall Andean package, of which Plan Colombia is part. It is part of a comprehensive approach to drug abuse, which is our number one source of crime in America, 70 to 85 percent, according to every sheriff and prosecutor in the country. And also it is a threat to our energy security and our economic trade in America and our very economic system.

Mr. Speaker, I include for the RECORD those articles I referred to earlier.
March 1, 2001

**House Resolution on Colombia**

**H618**

Congressional Record — House

**ALTERNATIVE ECONOMIC DEVELOPMENT AND RESettlement—Facts and Figures**

**Alternative Development (Voluntary Eradication):** US $30M. 
As for farmers growing coca on small plots (three hectares or less) to obtain a licit income from agricultural, forestry, or livestock production and marketing.

The program concentrates in three areas: 
- (1) technical assistance in production, processing and marketing of licit, alternative products; 
- (2) social infrastructure, such as schools, health clinics, and productive infrastructure, such as access roads and agro-industry; and 
- (3) strengthening of local producer, community and government entities to eliminate illicit drugs.

**Environmental Programs:** US $2.5M. 
Protects Colombia’s globally important biological diversity. By introducing economic alternatives to deforestation, communities living on the edges of protected areas, these programs offset ecological damage done by coca and poppy production in the Colombian Amazon and protect watersheds.

**Support to Affected Municipalities:** US $12M. 
Encourages participation by municipalities in deciding investment priorities, on agreeing how to use social development funds, and in establishing oversight and monitoring mechanisms. This program will assist approximately 100 municipalities that have been involved in illicit crop eradication and that are aiding displaced persons.

**Assistance to Internally Displaced Persons—Small Infrastructure Projects:** US $22.5M. 
Up to 50 municipalities are being identified in northern Colombia where support for displaced persons can be established. Medium-term support for displaced persons is being implemented in cooperation with international organizations through grants for public infrastructure projects such as schoolrooms, water systems, road and bridge construction and repair, and market shelters. The agencies themselves select the projects, provided they meet criteria for participation in the development of municipal decisions, transparency in financial management, and active participation in alternative development or other governance activities. Approximately 100,000 displaced persons will benefit from these programs.

**Support for U.N. Human Rights Office:** US $1M. 
Ensures human rights are protected in the implementation of programs. The United Nations Human Rights Office is better able to monitor and report on human rights conditions in the area.

**Negotiation with the insurgents, which my government initiated, is at the core of our strategy because it is to solve a forty-year-old historic conflict that raises enormous obstacles to creating the modern and progressive Colombia so urgently needs to become. The search for peace and the defense of democratic institutions will require long effort, faith and determination, to deal successfully with the pressures and doubts inherent in so difficult a process.**

The fight against drug trafficking constitutes another important part of Plan Colombia. The strategy would advance a partnership between consumer and producer countries, based on the principles of reciprocity and equality. Illicit drugs is clearly a transnational and complex threat, destructive to all our societies, with enormous consequences for those who consume this poison, and enormous effects from the violence and corruption led by the immense revenues the drug trade generates.

The solution will never come from finger-pointing by either consumer or producer countries. Our own national efforts will not be enough unless they are part of a truly international alliance against illicit drugs.

Colombia has demonstrated its absolute commitment and made heavy sacrifices to forge a definitive solution to the phenomenon of drug trafficking, one of the most fragmented conflict, human rights violations and destruction of the environment caused by drug production. Yet, in truth, we must acknowledge that more than twenty years after a marijuana cultivation came to Colombia, along with increased cocaine and poppy cultivation, drug trafficking continues to grow and destabilizing force, short-circuiting the economy, reversing the advances made in land distribution, corrupting society, multiplying violence, depressing the investment climate—and most seriously, providing increased resources to fund all armed groups.

Colombia has been leading the global battle against drugs, taking on the drug cartels and losing many of our best citizens in the process. Now, as drug trafficking becomes a more fragmented network, more internationalized, underground, and thus harder to combat, the world community needs new strategies. More resources are being targeted for education and prevention. We see the results in the increased confiscation and expropriation of chemicals and illegal arms trafficking. We are improving the effectiveness of our soldiers, who are now better trained to deal with this problem. It must be dealt with across the globe, wherever illicit drugs are produced, transported, or consumed.

Colombia also requires reforms at the very heart of our institutions, in particular, in our military forces to uphold the law and return a sense of security to all Colombians everywhere in Colombia. Strengthening, responsible, responsive military and police forces committed to peace and respect for human rights are indispensable to consolidating and maintaining a new and modern Colombia.

We understand that reaching our objectives will depend on a social and governmental process that may take several years—a time when it is critical to achieve a lasting consensus within a Colombian society where people understand and demand their rights, but are also willing to abide by their responsibilities.

In the face of all this, my government is absolutely committed to strengthen the rule of law, in particular, all the institutions that are responsible for upholding the rule of law and the state and restore the basic norms of a peaceful society. Attaining peace is not a matter of will alone. Peace must be built; it can come only through stabilizing the State, and enhancing its capacity to guarantee each and every citizen, throughout the entire country, their security and the freedom to exercise their rights and liberties.

**USAID Operating Expenses for Managing these programs:** US $4M. 
Total U.S. Plan Colombia support for alternative development and displaced persons: US $106M.

**Protecting Human Rights, Improving Governing Capacity and Reforming the Judicial System:** Facts and Figures

**Human Rights**

**Establish Human Rights Task Forces:** US $25M. 
Strengthen Human Rights Institutions: US $7M.

**Enhance Protection of Human Rights Workers:** US $4M.

**Witness and Judicial Security and Witness/Judicial Security in Human Rights Cases:** US $15M.

**Child Soldier Rehabilitation:** US $2.5M.

**Human Rights Monitoring:** US $1.5M.

**Support for U.N. Human Rights Office:** US $1M.

**Improving Governing Capacity and Reform to the Judicial System.**

**Prosecutor Training:** US $6M.

**Oral Accusation and Public Trials and Training of Judges:** US $3.5M.

**Public Defenders:** US $2M.

**Casas de Justicia:** US $1M.

**Policy Reform—Criminal Code:** US $1.5M.

**Policy Reform—Enabling Environment:** US $1M.

**ADDITIONAL SUPPORT FOR COLOMBIAN LAW ENFORCEMENT**

**Asset Forfeiture/Money-Laundering Task Force/Anti-corruption Program/Financial Management Program/Financial Crime Program Counter-narcotics Investigative Units: US $15.5M.**

**Countering Organized Financial Crime:** US $14M.

**Prison Security:** US $4.5M.

**JUDICIAL TRAINING**

**Judicial Police Training Academy:** US $2M.

**Military HR & Legal Reform:** US $1.5M.

**Anti-Kidnapping Strategy:** US $14M.

**Army JAG School:** US $1M.

**TOTAL U.S. SUPPORT FOR COLOMBIA**

**Train Customs Police and Customs and Maritime Enforcement and Port Security:** US $2.5M.

**Banking Supervision Assistance and Revenue Enhancement Assistance:** US $1.5M.

**Maritime Enforcement and Port Security:** US $2.5M.

**Train Customs Police and Customs and Training Assistant:** US $14M.

**Military HR & Legal Reform:** US $1.5M.

**Anti-Kidnapping Strategy:** US $14M.

**Army JAG School:** US $1M.

**TOTAL U.S. SUPPORT FOR COLOMBIA**
rights and fundamental liberties, free from fear.

But Colombia’s strategy for peace and progress also depends on reforming and modernizing its political process so that a political process can function as an effective instrument of economic advancement and social justice. To make progress here, we have to reduce the professionalism and corruption that has characterized our political process, by opening new paths to social participation and creating a collective conscience which holds government accountable for results. Here our strategy includes a specific initiative to guarantee, within five years, full access for all our people to education and an adequate healthcare system, with special care for the most vulnerable and neglected. In addition, we plan to strengthen local governments, in order to make them more sensitive and responsive to the needs and will of our citizens. We will also encourage active grassroots participation in our fight against corruption, kidnapping, violence, and the displacement of people and communities.

Finally, Colombia requires aid to strengthen its economy and generate employment. Our country needs better and fairer access to markets where our products can compete. Assistance from the United States, the European community and the rest of the international community is vital to our economic development. That is why Colombia is asking for support from its partners.

The Spanish philosopher Miguel de Unamuno wrote: "Faith is not to believe in the invisible, but rather to create the invisible."

FAITH IS NOT TO BELIEVE IN THE INVISIBLE — BUT RATHER TO CREATE THE INVISIBLE

Mr. WELDON of Pennsylvania, for 5 minutes, today.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker’s table and, under the rule, referred as follows:

S. Con. Res. 18. Concurrent resolution recognizing the achievements and contributions of the Peace Corps over the past 40 years, and for other purposes; to the Committee on Foreign Relations.

Mr. CONRAD. For 5 minutes, today.

ENROLLED BILL SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 590. An act to designate the United States courthouse located at 1 Courthouse Way in Boston, Massachusetts, as the “John Joseph Moakley United States Courthouse”.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 279. An act affecting the representation of the majority and minority membership of the Senate Members of the Joint Economic Committee.

ADJOURNMENT

Mr. SOUDER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to, according to (at 4 o’clock and 37 minutes p.m.), under its previous order, the House adjourned until Monday, March 5, 2001, at 2 p.m.

OATH FOR ACCESS TO CLASSIFIED INFORMATION

Under clause 13 of rule XXIII, the following Members executed the oath for access to classified information:
Pursuant to 5 U.S.C. 801(d), executive communications [final rules] submitted to the House pursuant to 5 U.S.C. 801(a)(1) during the period of July 13, 2000 through January 3, 2001, shall be treated as though received on March 1, 2001. Original dates of transmission identified in the Federal Register and referred to by the Committee of reference in the relevant CONGRESSIONAL RECORDs remain as indicated in the Executive Communication section of the relevant CONGRESSIONAL RECORDs of the 106th Congress.

EXECUTIVE COMMUNICATIONS, ETC.

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

1036. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting the Department's final rule—Specifically Approved States Authorized To Receive Mares and Stallions Imported From Countries Excluding CEM—[RM Docket No. 00-115-3, received February 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1037. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.226(b), Table of Allotments, FM Broadcast Stations (Sparta and Buckhead, Georgia) [MM Docket No. 00-101; RM-9968] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1038. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (Fresno, California) [MM Docket No. 00-162; RM-9948] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1039. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Arkadelphia, Arkansas) [MM Docket No. 00-179; RM-9947] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1040. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (Sherridan, Wyoming) [MM Docket No. 00-184; RM-9955] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1041. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.622(b), Table of Allotments, Digital Television Broadcast Stations (Henderson, Nevada) [MM Docket No. 00-181; RM-9933] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1042. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, FM Broadcast Stations (Hawthorne, Nevada) [MM Docket No. 00-142; RM-9923]; (Ludington, Michigan) [MM Docket No. 00-143; RM-9931]; (Groveton, New Hampshire) [MM Docket No. 00-192; RM-9925]; and (Marceline, Missouri) [MM Docket No. 00-153; RM-9935] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1043. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, FM Broadcast Stations (Alva, Mooreland, Tishomingo, Tuttle, and Woodward, Oklahoma) [MM Docket No. 98-155; RM-9932] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1044. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (McAllen, Texas) [MM Docket No. 99-315; RM-9731] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1045. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (Henderson, NV) [MM Docket No. 99-326; RM-9732] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1046. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (Evansville, Indiana) [MM Docket No. 99-346; RM-9733] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1047. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (McAllen, Texas) [MM Docket No. 99-315; RM-9731] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1048. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (Henderson, Nevada) [MM Docket No. 99-326; RM-9732] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1049. A letter from the Special Assistant to the Bureau Chief, Mass Media Bureau, Federal Communications Commission, transmitting the Commission’s final rule—Amendment of Section 73.226(b), Table of Allotments, Digital Television Broadcast Stations (Henderson, Nevada) [MM Docket No. 99-326; RM-9732] received February 13, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

1050. A letter from the Acting Director, Defense Security Cooperation Agency, transmitting notification of justification of defense articles, services, and military education and training furnished under section 506 of the Foreign Assistance Act of 1961 for the purpose of providing defense security assistance, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on International Relations.

1051. A letter from the Acting Director, Defense Security Cooperation Agency, transmitting notification of justification of defense articles, services, and military education and training furnished under section 506 of the Foreign Assistance Act of 1961 for the purpose of providing anti-narcotics assistance, pursuant to 22 U.S.C. 2318(b)(2); to the Committee on International Relations.

1052. A letter from the Acting Assistant Secretary, Bureau of Indian Affairs, Department of the Interior, transmitting the Department’s final rule—Fiscal Year 2001 Indian Reservation Roads Funds—received February 16, 2001, pursuant to 5
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. DELAHUNT: H.R. 780. A bill to authorize and request the President to award the Medal of Honor to James L. Cadigan of Hingham, Massachusetts; to the Committee on Armed Services.

By Mr. VISCLOSKY (for himself, Mr. GOLDFINGER, Mr. ENGLISH, Mr. MURTHA, Mr. NEY, Mr. CARDOZI, Ms. HART, Mr. COYNE, Mr. BURKE, Mr. COTZ, Mr. SCHROEDER, Mr. HILLARD, Mr. McNICHOLAS, Mr. MURPHY of Texas, Mr. CUMMINGS, Mr. FILNER, Mr. FROST, Mr. GORDON, Mr. GREEN of Texas, Mr. HALL of Ohio, Mr. HILLARD, Mr. HINCHI, Mr. HOFPEL, Mr. HOLDEN, Ms. HOOKEY of Oregon, Mr. JACKSON of Illinois, Mr. KANJORSKI, Mr. KILDRE, Mr. KINNARY of Iowa, Mr. MCCARTHY of New York, Ms. MCCARTHY of Missouri, Mr. MCCOVEN, Mr. McINTYRE, Ms. MCKINNEY, Mr. McKINLEY, Mr. MENDOZA, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Ms. NORTON, Mr. PALLONE, Mr. FASCHELL, Mr. PETERSON of Wisconsin, Mr. PELL, Mr. RIVERS, Mr. RODRIGUEZ, Mr. SANDERS, Mr. SANDLIN, Mr. SAWYER, Mr. Scott, Mr. SHIBUKA, Mr. THOMPSON of Oregon, Mr. TOWN, Mr. TRAFACT, Mr. WEIXLER, and Mr. WYNNE):

H.R. 808. A bill to provide certain safeguards with respect to domestic steel industry; referred to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, 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. SENSENBRENNER (for himself, Mr. CONYERS, Mr. HYDE, Ms. NORTON, Ms. UNDERWOOD, Mr. FALOLOVA, Mrs. CHRISTENSEN, and Mr. ACEVEDO-VILA):

H.R. 810. A bill to make technical corrections to various provisions of the Act and to references to such laws; referred to the Committee on the Judiciary, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROGELA (for himself, Mr. RUBARACKER, Mr. HORBON, Mr. HORN, Mr. FOLEY, and Mr. DUNCAN):

H.R. 811. A bill to provide for the retrocession of the District of Columbia to the State of Maryland, and for other purposes; referred to the Committee on the Judiciary, 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 Mr. SMITH of New Jersey (for himself, Mr. EVANS, Mr. MORGAN of Kansas, Mr. FILNER, Mr. STUMP, Mr. REYES, Mr. BILIRAKIS, Mr. STEARNS, Mr. BAKER, Mr. SIMMONS, Mr. BROWN of South Carolina, and Mr. BYRER):

H.R. 812. A bill to authorize the Secretary of Veterans Affairs to carry out construction projects for the purpose of improving, renovating, and updating patient care facilities at Department of Veterans Affairs medical centers; to the Committee on Veterans Affairs.

By Mr. UDALL of Colorado (for himself, Mr. HEFFLEY, Ms. DEGETTE, Mr. TASCREDI, and Mr. SCHAFFER):

H.R. 813. A bill to authorize and direct the Commission on the Equal Rights Amendment to provide funding and financial support for the purposes of the Native American Rights Fund: to the Committee on Appropriations.

By Mr. ANDREWS:

H.R. 814. A bill to amend the Immigration and Nationality Act to provide for the admission to the United States for permanent residence without the need of spouses of permanent resident aliens; to the Committee on the Judiciary.

By Mr. ANDREWS:

H.R. 815. A bill to amend title 9, United States Code, to allow employees the right to accept or reject the use of arbitration to resolve employment controversies; to the Committee on the Judiciary.

By Mr. ANDREWS:

H.R. 816. A bill to protect the Social Security System and to amend the Congressional Budget Act of 1974 to require a two-thirds vote for legislation that changes the discretionary spending limits or the pay-as-you-go provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 if the budget for the current year (or immediately preceding year) was not in surplus; referred to the Committee on Ways and Means, and in addition to the Committees on the Budget, and Rules, 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. BILIRAKIS:

H.R. 817. A bill to ensure the availability of spectrum to amateur radio operators; to the Committee on Energy and Commerce.

By Mr. BONIOR (for himself, Mr. ABERCROMBIE, Mr. BROWN of Florida, Mr. CAPUANO, Ms. CARSON of Indiana, Mr. CROWLEY, Mr. DELAHUNT, Mr. DINGLE, Mr. DOYLE, Mr. ENGEI, Mr. EVANS, Mr. FELIX, Mr. FOLEY, Mr. FROST, Mr. GILMAN, Mr. GUTIERREZ, Mr. HINCHI, Mr. HOULT, Mr. HUNN, Mr. LEACH of Texas, Mr. KELLY, Mr. KILMER, Mr. KNOBBENBER, Mr. LEVIN, Mr. LOBIONDO, Mr. MCGOVERN, Mr. MCKINNEY, Mr. MENendez, Mr. MOXLEY, Mr. PASCHELL, Mr. RIVERS, Mr. SCHARKOWSKY, Ms. SLAUGHTER, and Mr. STUPAK):

H.R. 818. A bill to amend title 36, United States Code, to grant a Federal charter to the Ukrainian American Veterans, Incorporated; to the Committee on the Judiciary.

By Mr. BROWN of Ohio (for himself, Mr. TRAFICANT, Mr. GILMOR, Mr. TRAVERSE, Mr. KAPP, Mr. HALL of Ohio, Mr. SAWYER, Mr. OXLEY, Mrs. JONES of Ohio, Mr. KUCINICH, Mr. HOSSON, and Mr. NEY):

H.R. 819. A bill to designate the Federal building located at 143 West Liberty Street, Medina, Ohio, as the “Donald J. Pease Federal Building”: to the Committee on Transportation and Infrastructure.

By Mrs. CLAYTON:

H.R. 820. A bill to amend title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Vocational Rehabilitation Act of 1973, the Civil Rights Act of 1991, to require the Equal Employment Opportunity Commission to mediate employee claims arising under such Acts, and for other purposes; to the Committee on Education and the Workforce.

By Mr. COBLE:

H.R. 821. A bill to designate the facility of the United States Postal Service located at 1800 South Church Street in Asheboro, North Carolina, as the “J. E. Troop Post Office Building”: to the Committee on Government Reform.

By Mr. COLLINS (for himself, Mr. DEAL of Georgia, Mr. FOLEY, Mr. HOSKIN, Mr. KOENIG, Mr. LARAVIE, Mr. CAPPS, Mr. BRADY of Pennsylvania, Mr. GREENWOOD, Ms. DEGETTE, Mr. ...
H.R. 822. A bill to amend title XVIII of the Social Security Act to expand coverage of preventive services under the Medicare Program for surgical first assisting services of certified registered nurse anesthetists, referred 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. CONDIT (for himself, Mr. DINGELL, Mr. RACONETTE, Mr. HUNTER, Mr. FILNER, Mr. SKEEN, Mr. REYES, Mr. FLAKE, Mr. DEUTSCH, Mr. BISHOP, Mr. GUTIERREZ, Mr. MCDERMOTT, Mr. GARY MILLER of California, Mr. PASTOR, Mr. ANDREWS, Mr. SESSIONS, Mr. HAYWORTH, Mr. DOOLEY of California, Mr. HASTINGS of Washington, and Mr. SHADROG):

H.R. 823. A bill to provide Federal reimbursement for indirect costs relating to the incarceration and criminal actions in the event of emergency health services furnished to undocumented aliens; referred to the Committee on the Judiciary, 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 Ms. DUNN (for herself, Mr. DUNCAN, Mr. SIMPSON, Mr. WHITFIELD, Mr. STOREY of Georgia, Ms. HART, Mr. PITTS, Mr. PETENFORD of Pennsylvania, Mr. CRENSHAW, Mr. ENGLISH, Mr. PARCHELL, Mr. WATTS of Oklahoma, Mr. GREENWOOD, Mr. BAHRED, Mr. CRAWFORD of North Carolina, Mr. SCHAFFER, and Mr. SOUDEUR):

H.R. 824. A bill to amend the Internal Revenue Code of 1986 to allow individuals who do not itemize their deductions a deduction for a portion of their charitable contributions, and for other purposes; to the Committee on Ways and Means.

By Mr. FLAKE (for himself, Mr. SHADROG, Mr. FERGUSON, Mr. GALLEGGY, Mr. MOORE, Mr. POMIO, and Mr. PROCTOR):

H.R. 825. A bill to provide funds to schools that provide educational services to homeless children and youth; referred to the Committee on Education and the Workforce, in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. FOLEY (for himself, Mr. WATTS of Oklahoma, Mr. WAMP, Mr. PICKERING, Ms. DUNN, Mr. SHOWS, and Mr. STUMP):

H.R. 826. A bill to amend the Internal Revenue Code of 1986 to provide a shorter recovery period for individuals with AIDS to cover the cost of so-called care restaurant buildings; to the Committee on Ways and Means.

By Mr. GURCCI (for himself and Mr. WILKINSON of Pennsylvania):

H.R. 827. A bill to authorize the Director of the Federal Emergency Management Agency to make grants to fire departments for the acquisition of thermal imaging cameras; to the Committee on Transportation and Infrastructure.

By Mr. GURCCI:

H.R. 828. A bill to amend title XVIII of the Social Security Act to expand coverage of preventive services under the Medicare Program for counseling and the coverage of prescription drugs under that program; referred 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. HASTINGS of Florida:

H.R. 829. A bill to require the Federal Election Commission to set uniform national standards for Federal election procedures, change the Federal election day, 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. HOSTETTLER (for himself, Mr. BAIER of Maryland, Mr. RYAN of Wisconsin, Mr. AKIN, Mr. FLAKE, Mr. BUTRON of Indiana, Mr. SMITH of New Jersey, Mr. WOLF, Mr. PAUL, Mr. DEMINT, Mr. SCHAFFER, Mr. TANCRED, Mrs. MYRICK, Mr. HILLYARD, Mr. CANTOR, Mr. JONES of North Carolina, Mr. SAM JOHNSON of Texas, Mr. MOE, Mr. ROYCE, Mr. HOEKSTRA, Mr. HERGER, Mr. ISTOOK, and Mr. PITTS):

H.R. 830. A bill to amend the Defense Dependents' Education Program Act of 1978 to allow home school students who are eligible for enrollment in a school of the overseas dependents' education system to use the auxiliary home school services while attending a school in the jurisdiction of the Committee on Education and the Workforce.

By Mrs. JOHNSON of Connecticut (for herself, Mrs. THURMAN, Mr. CMCYER, Mr. PETENFORD, Mr. HUNTER, Mr. WILKINSON of Pennsylvania, Mr. PEARCE, Mr. CARSON of Indiana, Mr. PAYNE, Mr. STRICKLAND, Mr. HOOLY of Oregon, Mr. CLAYTON, Mr. BAIRD, Mr. WATTS of North Carolina, and Mr. HOLTY):

H.R. 831. A bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs; to the Committee on Ways and Means.

By Mr. JONES of North Carolina (for himself and Mr. TANCRED):

H.R. 832. A bill to guarantee the right of individuals to receive social security benefits under title II of the Social Security Act in full with an accurate annual cost-of-living adjustment; to the Committee on Ways and Means.

By Mr. LAHOOD:

H.R. 833. A bill to amend title 39, United States Code, to prevent certain types of mail matter from being sent by a Member of the House of Representatives as part of a mass mailing; referred to the Committee on House Administration, 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 Mr. MCDERMOTT (for himself, Mr. HOFFER, Mr. TANCRED, Mr. UDALL of Colorado, Mr. POMIO, Mr. CANNON, Mr. BALDWIN, Mr. BARRETT, Mr. BEREUTER, Mr. BOBSCHEFT, Mr. BROWN of Ohio, Mr. DOOLITTLE, Mr. EHRLIS, Mr. ENGLISH, Mr. HINCHECY, Mr. Houghton, Mr. Kind, Mr. Obey, Mr. PETRI, and Mr. Ullrich):

H.R. 834. A bill to amend the National Trails System Act to clarify Federal authority relating to land acquisition from willing sellers for the National Trails System, and for other purposes; to the Committee on Resources.

By Mr. GARY MILLER of California (for himself, Mr. GOSLING of Maine, Mr. BALLENGER, Mrs. KELLY, Mr. ENGLISH, Mr. HERGER, Mr. SIMMONS, Mr. LANTOS, Mr. RYAN of Kansas, Mr. DOOLITTLE, Mr. BERREUTER, Mr. RYGERS of Michigan, Mr. VITTER, Mr. FROST, Mr. WATTS of Oklahoma, Mr. MOE, Mr. REYNOLDS of Wisconsin, Mr. GILLIMOR, Mr. SMITH of New Jersey, Mr. UNDERWOOD, Mr. BERMAN, Mr. CARSON of Oklahoma, Mr. WICKER, Mr. LADUCCI, Mr. CAMP, and Mr. OSBORNE):

H.R. 835. A bill to authorize appropriations for part B of the Individuals with Disabilities Education Act to achieve the maximum potential for part B of that Act by 2011; to the Committee on Education and the Workforce.

By Mr. NETHERCUTT (for himself and Mr. DEGETTE):

H.R. 836. A bill to amend title XVIII of the Social Security Act to provide for State accreditation of diabetes self-management training programs under the Medicare Program; referred 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. OBERSTAR (for himself and Mr. STUPAK):

H.R. 837. A bill to provide that, for purposes of trade remedies and trade adjustment assistance, imported semi-finished steel slabs and tacomite pellets produced in the United States shall be considered like or directly competitive with each other; to the Committee on Ways and Means.

By Mr. PITTS (for himself, Mr. PETERMAN of Mississippi, Mr. BRUNA, Mr. PETERSON of Pennsylvania, and Mr. SOUDEUR):

H.R. 838. A bill to amend the Internal Revenue Code of 1986 to allow individuals who are exempt from the self-employment tax by reason of their religious beliefs to establish Keogh plans, etc.; to the Committee on Ways and Means.

By Mr. PRICE of North Carolina (for himself, Mr. ETHERIDGE, Mr. FROST, Mr. MCCARTHY of Missouri, Mr. CLEMENT, Ms. CARSON of Indiana, Mr. PAYNE, Mr. STRICKLAND, Mr. HOOLY of Oregon, Mr. CLAYTON, Mr. BAIRD, Mr. WATTS of North Carolina, and Mr. HOLTY):

H.R. 839. A bill to establish a national teaching fellowship program to encourage individuals to enter and remain in the field of teaching at public schools; to the Committee on Education and the Workforce.

By Ms. PRIYCE of Ohio (for herself, Mr. WATTS of Oklahoma, Mrs. JOHNSON of Connecticut, Mr. FOLEY, Mr. LEWIS of Georgia, Mr. MATSUI, and Mr. BIEBER):

H.R. 840. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income amounts received on account of claims based on certain unlawful discrimination and to allow income averaging for backpay and frontpay awards received on account of such claims, and for other purposes; to the Committee on Ways and Means.

By Mr. PAYES:

H.R. 841. A bill to suspend for two years the certification procedures under section 207(a) of the Foreign Assistance Act of 1961 in order to foster greater multilateral cooperation in international counternarcotics programs, and for other purposes; to the Committee on International Relations.

By Mr. REYNOLDS:

H.R. 842. A bill to convey certain property at the Canandaigua Veterans Administration Hospital to the town of Canandaigua, New York; to the Canandaigua City School District; to the Committee on Veterans' Affairs.
PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. REGULA:
H.R. 855. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel Skimmer; to the Committee on Transportation and Infrastructure.

By Mr. SCARBOROUGH:
H.R. 856. A bill for the relief of Donna Christine Fargo; 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. 13: Mr. MANZullo.
H.R. 27: Mr. HEFFLEY.
H.R. 41: Mrs. MORELLA, Mr. HUDSON, Mr. KIRK, Mrs. FOURKIS, Ms. FLORENCE, Mr. CONWAY, Mr. POMEROY, Ms. CAPPS, Mr. OTTER, Mr. Lewis of Georgia, Mr. FATTAH, Mr. CONDIT, Mr. WAXMAN, Mr. KNOWLES, Mr. SHERMAN, Mr. MWANGI, Mr. PETERSON of Minnesota, Mr. SENSIBRENNER, and Ms. FLORENCE.
H.R. 129: Mrs. MALONEY of New York.
H.R. 139: Ms. MALONEY.
H.R. 148: Mr. FILNER, Ms. MCCARTHY of California, Mr. HARMON, Mr. HEMMER, Mr. HOPEFELD, Mr. COX, Mr. SNYDER, and Mr. FERGUSON.
H.R. 501: Mr. McNULTY, Mr. BISHIR, Mr. REYES, and Mr. JENKINS.
H.R. 502: Mrs. MORELLA.
H.R. 127: Mr. GUTKNECHT, Mr. TAYLOR of Mississippi, Mr. NYDERS, Mr. PATERSON of Minnesota, Mr. SENSIBRENNER, and Ms. FLORENCE.
H.R. 129: Mrs. MALONEY of New York.
H.R. 139: Ms. MALONEY.
H.R. 148: Mr. FILNER, Ms. MCCARTHY of California, Mr. HARMON, Mr. HEMMER, Mr. HOPEFELD, Mr. COX, Mr. SNYDER, and Mr. FERGUSON.
H.R. 501: Mr. McNULTY, Mr. BISHIR, Mr. REYES, and Mr. JENKINS.

CONGRESSIONAL RECORD — HOUSE

March 1, 2001

SPEarse, Ms. Mckinney, Mr. Dingell, Mr. Frost, and Mr. Taylor of Mississippi:

H.R. 856. A bill to provide for the establishment of the National Coast Guard Museum on Federal lands administered by the Coast Guard; to the Committee on Transportation and Infrastructure.

By Mr. STUPAK:
H.R. 851. A bill to amend the Emergency Steel Loan Guarantee Act of 1999 to prohibit steel companies receiving loan guarantees from investing the loan proceeds in foreign steel companies and using the loan proceeds to import steel products from foreign countries that are subject to certain trade regulations; to the Committee on Financial Services.

By Mr. TRAFICANT:
H.R. 852. A bill to designate the Federal building and United States courthouse to be constructed at 10 East Commerce Street in Youngstown, Ohio, as the "Nathaniel R. Jones and Frank J. Battistit Federal Building and United States Courthouse"; to the Committee on Transportation and Infrastructure.

By Mr. WEXLER (for himself, Mr. BLASQUEZ, Mr. EVANS, Mr. TRAFICANT, Mr. FILNER, Mrs. THURMAN, Ms. VEZLAZQUEZ, Mr. DELAURIO, Mr. PALLONE, Mr. HILLIARD, Mr. PAYNE, and Mr. SISKY):
H.R. 833. A bill to amend title II of the Social Security Act to extend modifications of the computation formula under a new 10-year rule governing the transition to the changes in benefit computation rules enacted in the Social Security Amendments of 1977, and by other purposes; referred to the Committee on Ways and Means.

By Mr. RIVERS:
H.R. 846. A bill to require the Administrator of the Environmental Protection Agency to prescribe a rule that prohibits the importation for disposal of polychlorinated biphenyls at concentrations of 50 parts per million or greater; to the Committee on Energy and Commerce.

By Mr. SANDLIN (for himself, Mr. ALLEN, Mr. ANDREWS, Mr. BALDACCI, Ms. BROWN, Mr. BURTON, Mr. CARR, Mr. CARSON of Oklahoma, Mr. BEMENT, Mr. COSTELO, Mr. DOYLE, Mr. FILNER, Mr. FRANK, Mr. FROST, Ms. HOOLEY of Oregon, Mr. MCINTYRE, Mr. MENENDEZ of New Jersey, Mr. MILLER of Hawaii, Mr. MILLER of New York, Mr. OLIVER, Mr. PALLONE, Mr. PAUL, Mr. QUINN, Mr. RALHALL, Ms. WOOLSEY, Mr. WU, and Mr. Brown of Ohio):
H.R. 846. A bill to amend title II of the Social Security Act to eliminate the provision that reduces primary insurance amounts for individuals receiving pensions from non-covered employment; to the Committee on Ways and Means.

By Mr. SIMMONS (for himself and Mr. SHADEGO):
H.R. 849. A bill to provide for each American the opportunity to provide for his or her retirement through a S.A.F.E. account, and for other purposes; referred to the Committee on Ways and Means, 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 Mr. EHRlich, Ms. DELAURIO, Mr. STUPAK, Mr. CAPUANO, Mr. MCGOVERN, Mr. DELAURIO, Mr. SHAYS, Mr. CLEMENT, Mr. ACKerman, Mr. MILLER of New York, Mr. MILLER of Connecticut, Mr. JONES of Ohio, Mr. MALONEY of Connecticut, Mr. COMOLLI, Ms. WOOLSEY of New York, Mrs. JOHNSON of North Carolina, Mrs. JOHNSON of Connecticut, Mr. KUCING, Mr. SPENCE, Ms. MCKINNEY, Mr. DINGELL, Mr. FROST, and Mr. TAYLOR of Mississippi:

By Mr. MANZullo:
H. Con. Res. 46. A concurrent resolution expressing the sense of the Congress regarding chiropractic health care benefits; to the Committee on Government Reform.

By Mr. SCARBOROUGH:
H. Res. 75. A resolution expressing the sense of the House of Representatives that the Secretary of Veterans Affairs should recognize board certifications from the American Association of Physic, Inc., for purposes of employment of physicians by the Veterans Health Administration; to the Committee on Veterans' Affairs.
Mr. GREEN of Wisconsin, Ms. MCKINNEY, Mr. TIERNEY, Ms. RIVERS, Mr. CROWLEY, Mr. EHLERS, Mr. DINGELL and Mr. KNOLLENBERG.

Mr. SWEENEY, Mr. SMITH of New Jersey, Mr. NEY, and Mr. SOUDER.

Mr. SANDERS, and Mr. BALDACCI.

Mr. SMITH of Minnesota, Ms. MCKINNEY, Mr. FELNER, Ms. HOOLEY of Oregon, Mr. FROST, Ms. CHAKOWSKY, Mr. COYNE, and Mr. BONIOR.

Mr. WHITE of California, Mr. STUPAK, Ms. MCKINNEY, Mr. GILMAN, Mr. WYNN, Mr. FROST, Mr. UDALL of Colorado, Mr. NETHERCUTT, Mr. BURTON of Indiana, Mr. REYES, Mr. KENNEDY of Rhode Island, and Mr. TAYLOR of North Carolina.

Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Mrs. JONES of Ohio, Mr. BURR of North Carolina, Ms. MCKINNEY, Mr. GUTKNECHT, and Mr. RACHUS.

Mr. KUCINICH and Ms. LEE.

Mr. PASCRELL.

Mr. JEFFERSON, Mr. MEEKS of New York, Mr. CLAY, Mr. ANDREWS, and Mr. PALLONE.

Mr. BERKETER, Mr. ISSA, Mr. BACHUS, Mrs. JONES of Ohio, Mr. GILLYER of California, Mr. DREIER, and Mr. LEWIS of California.

Mr. BURR of North Carolina, Mr. KENNEDY of Rhode Island, Mr. HAYWOOD, Mr. BROWER of California, and Mr. BACHUS.

Mr. BROWN of Ohio, Mr. GARY MILLS of California, and Mr. LEWIS of California.

Mr. HASTINGS of Washington, Mr. LEWIS of Kentucky, Mr. SOUTHERN, Mr. WALTERS, and Mr. FROST.

Mr. RAMSTAD.

Mr. ISAKSON, Mr. BURR of North Carolina, Ms. MCKINNEY, Mr. GUTKNECHT, and Mr. RACHUS.

Mr. CLEMENS, Mr. RUSSELL, Mr. RYAN of Pennsylvania, Mr. ENGEL, Mr. CROWLEY, Mr. EHLERS, Mr. DINGELL and Mr. KNOLLENBERG.

Mr. HOYER and Mr. UDALL of Colorado.

Mr. HASTINGS of Florida, Ms. KILPATRICK, Mr. TRAFICANT, Mr. OWENS, Mr. ROHRABACHER, Mr. TIERNEY, Ms. RIVERS, Mr. CROWLEY, Mr. TAYLOR of North Carolina, Ms. RIVERS, Mr. BRADY of Pennsylvania, Ms. RIVERS, Mr. GREEN of Texas, Mr. WEINER, and Mr. EVANS.

Mr. SPEARMAN.

Mr. WATSON of Georgia, Mr. PORTMAN, Ms. WALLACE of Texas, Mr. ORR, Mr. FREDERICK, Mr. GUTKNECHT, Mr. GINGRICH, Mr. WILSON of Oklahoma, Mr. RYAN of Pennsylvania, Mr. ENGEL, Mr. CROWLEY, Mr. EHLERS, Mr. DINGELL and Mr. KNOLLENBERG.

H.R. 576: Mr. CONDIT, Mr. CRAMER, MS. JACKSON-LEE of Texas, Mr. MORAN of Virginia, Mrs. JONES of Ohio, Mr. ABERCROMBIE, Mr. REYES, Mr. KENNEDY of Rhode Island, and Mr. TAYLOR of North Carolina.

H.R. 583: Mr. CRAMER and Mr. ISAKSON.

H.R. 585: Ms. MCKINNEY.

H.R. 586: Ms. ROE-LEHTINEN and Ms. DELAUBO.

H.R. 608: Mr. MORAN of Kansas.

H.R. 609: Mr. INSLEE, Mr. PETERSON of Minnesota, Ms. MCKINNEY, Mr. FELNER, Ms. HOOLEY of Oregon, Mr. FROST, Ms. CHAKOWSKY, Mr. COYNE, and Mr. BONIOR.

H.R. 612: Mr. GILMAN, Mr. WYNN, Mr. FROST, Mr. UDALL of Colorado, Mr. NETHERCUTT, Mr. BURTON of Indiana, Mr. REYES, Mr. KENNEDY of Rhode Island, and Mr. BERNARD.

H.R. 620: Mr. GONZALEZ and Mr. GUTIERREZ.

H.R. 624: Mr. FROST, Mr. KENNEDY of Rhode Island, and Mr. BERNAR.

H.R. 625: Mr. BURR of North Carolina, Mr. DEAL of Georgia, Mr. SESSIONS, Mr. CANTOR, and Mr. BENTSEN.

H.R. 630: Mr. MANZANARES, Mr. BURR of North Carolina, Mr. BURLINGAME of California, Mr. HAYS, Mr. SCHOFIELD, Mr. MURPHY of California, Mr. SCOTT, Mr. CHAPMAN of California, Mr. THOMPSON of North Carolina, and Mr. BACHUS.

H.R. 631: Mr. BURBANK of California, Mr. GIBBONS of Nevada, Mr. WEINER and Mr. SOUDER.

H.R. 632: Mr. PAYNE, Mr. HORN, and Mr. FROST.

H.R. 633: Mr. PETERSON of Minnesota, Ms. MCKINNEY, Mr. FROST, Ms. MCCARTHY of Minnesota, Mr. ORR, Mr. CONGRESSIONAL RECORD — HOUSE March 1, 2001
The Senate met at 10:01 a.m. and was called to order by the Honorable GEORGE ALLEN, a Senator from the State of Virginia.

PRAYER

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

Dear God, as we begin Women's History Month today, we thank You for the indelible impact of women on American history. Specifically, we praise You for women like Emma Willard who started the first college for women, Jarena Lee who was the first black woman to preach in the African Methodist Episcopal Church, Harriet Beecher Stowe who helped abolish slavery by writing "Uncle Tom's Cabin," and Carrie Chapman Catt who tirelessly led the way for women to win the right to vote. We praise You for each of these women and the many others who have made personal sacrifices so that all women can claim their equality and freedom.

Today, Gracious God, we also give You thanks for the women who serve here in the Senate: the outstanding women Senators, the women who serve as officers, and the many women throughout the Senate family who continually glorify You in their loyalty and excellence.

Our prayer today, Gracious Lord, is that the role of women in the Senate will exemplify to the American people the importance of the leadership of women in every sector of our society.


PLEDGE OF ALLEGIANCE

The Honorable GEORGE ALLEN 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.

APPPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

To the Senate:

I, Strom Thurmond, President pro tempore, hereby appoint the Honorable GEORGE ALLEN, a Senator from the State of Virginia, to perform the duties of the Chair.

Mr. ALLEN thereupon assumed the chair as Acting President pro tempore.

EXECUTIVE SESSION

NOMINATION OF MARK A. WEINBERGER TO BE AN ASSISTANT SECRETARY OF THE TREASURY

Mr. MURKOWSKI. Mr. President, on behalf of the leadership, on the Executive Calendar, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nomination reported by the Finance Committee: Calendar No. 17, Mark Weinberger. I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nomination be printed in the Record, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The Senate may also consider any nominations that are available for action prior to the end of the week. It is hoped that an agreement can be reached on its consideration prior to the end of the week. The Senate may also consider any nominations that are available for action.

I thank my colleagues for their attention.

SCHEDULE

Mr. MURKOWSKI. I say on behalf of the leadership, it is hoped that the Senate can begin consideration of the bankruptcy legislation. It is hoped that an agreement can be reached on its consideration prior to the end of the week. The Senate may also consider any nominations that are available for action.

I thank my colleagues for their attention.

Mr. REID. Reserving the right to object, Mr. President, I note for the record that the Democrats were ready to move on this yesterday. There was a problem on the other side. We are most happy to move this whenever the leader feels it appropriate. Therefore, I withdraw my reservation.

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LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will return to legislative session.

ENERGY CRISIS

Mr. MURKOWSKI. Mr. President, let me take a few moments this morning to discuss the merits of the energy bill which was introduced earlier this week by a number of our colleagues. It is a bipartisan introduction by myself, Senator BREAUX, Senator LOTT, and a number of other Senators who are on the bill.

I think it is appropriate to kind of focus in on reality. We have an energy crisis in this country. It has been developing for a long time. It does not solve anything to point fingers at where the responsibility is. The bottom line is how to address it, how to resolve it, and how to get this country moving again. We are facing at the national market, shaking our heads. We are listening to Alan Greenspan. The predictions for the economy are gloomy, and one of the causes, a significant cause, obviously, is the price of energy.

The price of energy has hit everyone in this body. If you live in Washington, DC, and you use gas, you know your gas bills have doubled. That means you have had to take a greater percentage of your disposable income to pay your gas bill. I will not go into gasoline prices which have escalated over an extended period of time. But the American public and Members of this body have an opportunity, and I think have an obligation, to come up with some positive solutions.

We would like to think that energy is bipartisan. We all have the same responsibility. We have different views on how to achieve a balance. But I think there is a basic philosophical opportunity for some self-examination because some folks suggest we can simply conserve our way out of this crisis. Factually, we cannot conserve our way out of this crisis. It is understandable as we reflect on where we have come in the last 10 years. We are dependent on computers, air-conditioning. With a larger more affluent population, it simply uses more energy.

We can be more energy efficient, but the reality is, as the CSIS study showed we are going to be dependent on fossil fuels for the next two decades at an increasing percentage—somewhere from 86 to close to 90 percent. We forget we are not the whole world. We kind of look at ourselves and say, well, we set the pattern. But given the growth of Third World countries such as China, their consumption of energy suggests that, as we look at the future, there is going to be more pressure on conventional hydrocarbons. We have to look to alternatives. We have to examine ways to promote energy, and with the bath water, which is what some have suggested in criticism of this bill.

We have to recognize that for a long time we are going to be dependent on our conventional sources of energy, even though we have an abundance of coal and we have the technology to clean up our coal. Still, as we look for power generation, we don't look to coal anymore. There are a number of reasons for it. Obviously some coal has problems. It has problems associated with Btu's; it has problems associated with ash; it has problems associated with the chemical makeup of the coal that requires removal of impurities. But the technology is there although the cost increases. We work in this competitive area on the cost of energy per Btu.

Sulfur in coal can be removed. We can have scrubbers on our stacks. But we have to have a plan and an encouragement and in some cases assistance in developing this technology. We have the technology.

Mr. President, 20 percent of our power—and I know my friend from Nevada occasionally rises to the occasion concerning nuclear power—20 percent of the power in this country is generated by nuclear energy. Yet we have not built a new nuclear reactor in almost 20 years. You cannot build a plant. It is not economic. We cannot address what to do with the nuclear waste. I am not here to promote nuclear energy, solely. I am simply saying nuclear energy has a place in the mix of our energy production, just as coal does.

We have tremendous capacity and capability for hydro, particularly in the Pacific Northwest, but the prospects for building new hydro plants are very remote. We are talking about taking dams down, but we don’t honestly evaluate what the tradeoff is. If we take down dams on the Columbia River, what is the result? We will lose the capability of moving huge tonnages on that river. What will we do with them? We will put them on the highway; that is the tradeoff—oil. Obviously, we are becoming more dependent on the percentage dependent. At what point do we sacrifice our national security effort by becoming increasingly dependent, and at what percentage does that occur? It is pretty hard to say. We are 56 percent dependent now. We were 37 percent in 1973 when we had the Arab oil embargo. The Department of Energy says it is going to be somewhere in the area of 63 or 64 or 65 percent.

I was asked that question the other day by a reporter: You talk about our dependence. We have become used to it. What at point do we really compromise our national security? I thought for a moment. I said that in 1991-92 we fought a war. We lost 147 lives. Is that sufficient? I think it is.

As we look to the future, we are going to continue to have a problem unless we relieve our dependence on importing energy sources, and particularly oil.

How do we do that? We do it through a combination of ways, developing other known sources of energy, such as I outlined, and opening up new sources of domestic energy.

One of the interesting things about this bill is it focuses. It is 300 pages, but it focuses like a lightning rod on one thing: opening ANWR. And do it, do it safely? Can we do it safely? Do we have the technology? Clearly we do. There is absolutely no question about that.

On the other hand, America's environmental community has rallied to the cause to save ANWR, saying that we cannot do it safely. Somebody is wrong. But I can tell you what it has done. It has given the environmental community a cause. They need a national cause where people cannot evaluate the issue for themselves because they will not go up there. It increases membership and dollars.

Look at some of the colleges in the East: Save ANWR. There is no question of technology capability.

What we are facing here is very little focus on the energy bill in itself but great rhetoric. For example, the Sierra Club—may I ask what the time agreement is?

The ACTING PRESIDENT pro tempore. The Senator had until 10:15. It is now 10:09. I say to the Senator.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent to add 10 minutes.

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

Mr. MURKOWSKI. Thank you. Mr. President, that being the case, I ask unanimous consent to add 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, that being the case, I ask unanimous consent that we may extend the time agreement everyone has allocated time by the minute. I ask as part of that that everyone be advanced 10 minutes.

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

Mr. MURKOWSKI. Thank you my colleagues.

The ACTING PRESIDENT pro tempore. The Senator from Alaska has an additional 10 minutes, and all other Senators' times will be moved back 10 minutes from that previously agreed to.

Mr. MURKOWSKI. Mr. President, I thank my colleagues.

Let me spend a few minutes countering the allegations against this legislation. The Sierra Club came out with a report saying the bill was a giveaway for fossil fuel producers. There is absolutely no incentive in this legislation for big oil. We focus on maintaining a viable domestic industry, reducing our dependence on foreign oil, and ensuring our national security. The Sierra Club release also calls for increased efficiency, renewable energy, and less-polluting powerplants. I wonder if they have read the bill. We provided incentives for alternatives: fuels, renewable...
energy production, energy efficiency, just as they and we advocate.

Did they also ignore our new R&D program in the bill, and the incentives to use clean coal technology in existing and new powerplants? I doubt if they have read the bill.

The Sierra Club focuses on the need to improve fuel economy for cars, SUVs, and light trucks, and we agree. That is why our bill requires a 3-mile-per-gallon improvement in the fuel economy of Federal fleets by the year 2005. Why did we start with Federal fleets? We ought to start with Government. That is where it belongs. Government should show the way. So we provided new incentives for the purchase of hybrid vehicles that give double, even triple the gas mileage of today’s cars. But they must not have seen this because the Sierra Club just doesn’t appreciate the reality, that this is just not a bill that has one little portion covering ANWR.

Regarding the provisions of the bill, I think, for the most part, if the Sierra Club would sit down and read it, they would agree with it.

We have another group, the League of Conservation Voters, who, in a press release, using the polling data showing the public is against opening up the Arctic in Alaska. They say 66 percent of American voters support permanently closing ANWR to oil and gas exploration.

Isn’t it funny what polls say. The Christian Science Monitor poll and the Chicago Tribune poll say otherwise. The Christian Science Monitor; 54 percent support opening the area; the Chicago Tribune; 52 percent support opening the area. Three out of four support increased oil and gas exploration in our country.

The League of Conservation Voters goes on to state:

America needs a sensible energy policy that places serious emphasis on energy conservation and alternative fuels. . .

Title VI of our bill focuses on energy efficiency, conservation, and assistance to low-income families. Title VII of the bill focuses on alternative fuels and renewable energy.

Our tax provisions have several new incentives for energy-efficient homes, appliances, vehicles, and for renewables.

As I indicated in my opening remarks the Center for Strategic International Studies says, unfortunately, that we will remain dependent on fossil fuels for the near future. Shouldn’t we direct our efforts towards developing technology to use these fuels more cleanly and more efficiently? We simply can’t ignore our reliance on foreign oil. As I indicated, it is expected to reach 70 percent by the year 2002. We cannot ignore our coal at 52 percent of our electricity. We can’t ignore nuclear, which is 20 percent of our electricity.

Instead of a comprehensive approach, some environmental groups want a national energy policy that requires massive shifts in our energy industry. Elimination of fossil fuels entirely, thousands of jobs lost, higher energy prices, and standard investment are not in their equation.

Our approach to an energy policy—the National Energy Security Act of 2001—we think is the right approach. It is comprehensive. It is balanced.

Obviously, in the hearing process we had input from all Members, and the administration is yet to be heard. But we are trying to use the philosophy of using the fuels of today to yield the technologies of tomorrow and ensuring clean, secure, and affordable energy in the future. I think this bill attempts to do that.

Let me leave you with one additional thought. We hear from many of the opponents of ANWR that all we have to do is get an extra 3 miles per gallon out of our cars and we will get the same results and amount of oil and opening up that area in our State. I question that claim. The real issue is do you think everyone in America should trade in their cars and buy new vehicles. And there are about 132 million cars in America. Doesn’t count the trucks and the buses. But if the Americans have to go out and buy new and efficient cars as pseudoenvironmentalists want them to do, it will cost more than $2.6 trillion. Since most Americans don’t have $20,000 sitting around just waiting to go buy a new car, they are going to have to finance that car. That will probably raise the cost to more than $3 trillion. That seems to be their answer to Americans—get a new car and spend $3 trillion. That isn’t going to happen either.

I think everyone has a responsibility to make some positive contributions to this legislation and recognize what is happening to our economy as a consequence of the scarcity of energy associated with the higher price. And the fact that energy is, indeed, taking a larger share out of everyone’s budget and, as a consequence, affecting dramatically our economy.

Let’s get serious, and let’s do something meaningful about this.

I thank my colleague for the additional time. I appreciate the courtesy, and at any time I will certainly respond.

Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore.

Under the previous order, as amended by the Senator from Nevada, the Senator from Nevada, Mr. ENSieG, has control of the time until 10:40 a.m.

Mr. REID, Mr. President, I ask unanimous consent I be allowed to speak for 5 minutes following the statement of Senator ENSieG.

The ACTING PRESIDENT pro tempore.

Is there objection? Without objection, it is so ordered.

The Senator from Nevada is recognized.

LET NO NEVADA CHILD BE LEFT BEHIND

Mr. ENSieG. Mr. President, Nevada’s slogan is “Battle Born.” And Nevadans are proud to use that slogan. It is on our State flag. It reflects the firmness of purpose and the willingness to fight for what is right that is so much a part of the character of Nevada. It is as true today as it was when our State entered the Union during the Civil War.

I am humbled to stand here in this Chamber where many distinguished Nevadans have proceeded me, giants like Pat McCarran, Alan Bible, Howard Cannon, Paul Laxalt, and the man I succeeded, Dick Bryan. None of them forgot the unique culture of the West and their Nevada roots. The nature of the challenges may have changed over the years, but not the nature of the Nevadans fighting to overcome them.

In this era of globalization we are condemning our children, and our nation, to an uncertain future if we fail to confront a very different kind of threat—the intractable problems in our public schools.

Let me share some troubling statistics with you. If you compare our children to their counterparts in other nations—most academically advanced American high school seniors ranked 15 out of 16—second from the bottom—on an advanced math test and 16 out of 16 on an advanced physics test. This is unacceptable.

We cannot allow our public schools are falling our children. And unless we address this problem now—today—we will bear the consequences for a generation or more. Let’s not forget: Today’s students are tomorrow’s leaders—in business, technology, engineering, government, and every other field. If even the brightest of our young people cannot compete in the classroom with their colleagues abroad in math and science, how will they be able to compete with them as adults in the world of business? How can we expect them to develop into the innovators America needs to maintain—and, yes, expand—her dominant role in the global marketplace?

We need to make sure every single student in America graduates with the basic skills in communications, math, and information technology that are necessary to excel in the New Economy. As a nation, we simply cannot afford to accept the status quo.

As fourth graders in Nevada, I know the people of my State are up to the challenge of creating a better education system. But they need the Federal Government to get out of their way so they can do it. We need a results-based system, which gives States greater flexibility to spend Federal education dollars, while holding them accountable for student achievement.

Today, Federal funds for States and local school districts are not linked to academic progress that’s been attained. The Department of Education simply doles out money in keeping with Washington-designed funding formulas and grant proposals. There is no
incentive for innovation, and no penalty for failure ...
President Bush wants to change this. He has proposed requiring federally funded annual reading and math testing in grades 3-8 to ensure student achievement and holding States accountable for the Federal money they receive. The test results will be the ruler by which the Department of Education can measure whether students are improving. These results will also provide parents with the information they need to track the progress of not only their own children, but of the schools their children attend.

The question we are all struggling with is what to do if and when this new system reveals that a particular school is failing to successfully educate our children. Under President Bush’s plan, if a school is shown to be failing after three years (based on objective measures of student achievement), then a voucher will be given to parents whose children are attending the failing school. These parents will then have the power to say to school officials: Shape up—or my kids are shipping out.

Now, I am certainly open to real alternatives to vouchers that are not driven by the anti-choice agenda of entrenched interests. However, I am not willing to sacrifice the well-being of individuals—our children—in order to preserve failing institutions. In my opinion, vouchers are an important part of the solution.

I ask my colleagues, is this fair? Is a disadvantaged student in Vermont that much more worthy of additional funds than a disadvantaged student in Nevada? Does this promote the idea of equal access to education?

The theme of President Bush’s education plan is “no child left behind.” But under the current system children are getting left behind in fast growing States such as Nevada, and the President’s plan does not adequately address this problem.

Nevada has grown by 66 percent over the last 10 years and shows no signs of slowing down. Under Title I, funding is based on the number of Title I students in each State, but the Department of Education updates these numbers only every five years. For Nevada, which has grown an average of 5 percent per year for the last 10 years, this has created an untenable situation. Nevada school enrollment is increasing at three times the national average, and Federal funds are not keeping pace. In Clark County, which is where Las Vegas is, we are forced to build one new elementary school a month just to keep pace with the explosive growth. It is for that reason I am speaking with the White House and a number of my colleagues about a new high-growth grant, which I hope to include in the Elementary and Secondary Education Act. This grant will benefit all States with high growth rates, such as Nevada, Arizona, Georgia, Florida, North Carolina, and other States, so that we can give real meaning to the phrase “no child left behind.”

Mr. President, I need my colleagues to understand what the students, parents, teachers, and administrators are faced with in my home State of Nevada. Every time I speak with them, I hear, time and time again, that our State needs more of these Title I dollars. The high growth grant is a means to provide high-growth States much needed relief without directly adjusting the current funding formula.

Ensuring that our children stay in school is one of my top priorities. I want to work with my colleagues on dropout prevention, particularly with the senior Senator from Nevada, who has been a leader on this issue. But what good does it do to keep young people in the classroom if they are not being taught the basics of civic virtue, such as citizenship, justice, fairness, respect, responsibility, and trustworthiness?

In addition to dropout prevention programs, we must also promote character education programs that train our young people to be virtuous citizens.

Our Nation’s teachers are the key to solving many of our problems in our schools. And how can we require this of them without the proper training or adequate pay?

I am encouraged that President Bush’s education plan includes a new commitment to professional development for teachers. This is critical to ensuring that our teachers are properly trained to teach our Nation’s children.

With all the talk about school construction and whether or not the Federal Government should or should not play a role in that activity, shouldn’t we first ensure that our teachers are properly trained in the subjects they teach? Our math and science teachers need better training in math and science. Our reading and writing teachers need better training in reading and writing. It is that simple. We cannot expect our teachers to teach and in turn imparting knowledge to our children if our teachers are not properly trained in the areas they teach.

Teachers and administrators must be permitted to take the necessary steps to help children learn. The Federal Government can work with State and local school districts to ensure that teachers have the freedom to discipline violent and disruptive students without the fear of lawsuits.

Our young people have a fundamental right to classrooms where they are free to learn and teachers are free to teach. That is denied them when a few chronically difficult children are allowed to poison the atmosphere, and teachers are left with no resources to stop them.

We also need to end the cycle of social promotion. Social promotion forces teachers to deal with underprepared students while they try to teach the prepared. It gives parents a false sense of progress and treats employers to conclude that diplomas are literally meaningless. But above all, the practice of social promotion dumps poorly educated graduates into a society where they cannot perform in the workplace, nor care for their families, nor discharge their duties as citizens. It is not fair to those individuals who have been at the mercy of a flawed system, and it is not fair to their dependents and our society as a whole.

I have been witness to the perils of social promotion. One of the heart-breaking experiences of my life was when I was sitting in a local library with a fourth grader who could not read Dr. Seuss’s “Cat in the Hat.” This young boy, when he was 10 years old, could not read these lines:

The sun did not shine.
It was too wet to play.
So we sat in the house all that cold, cold, wet day.

This child is one of the lucky ones. His problem was caught relatively early. He has since received help with basic reading and other academic and social skills, skills that he should have learned in the first, second, and third...
grades. He is 13 now, and he is doing better. He has worked hard and made progress. But despite his efforts, he is still struggling to catch up with his classmates because habits of social promotion shuffled him forward in a system before he was ready.

If we wish to have students to be able to compete in the global workforce, then we must provide them with the proper learning tools. Part of that answer lies in providing technology and the means to use it. Another part lies in better preparation in training and higher teacher pay. Another part lies in holding failing schools accountable, and giving parents greater control over where and how education dollars are spent. And another part lies in more equitable funding. Together these individual answers create a solution.

The 107th Congress has a unique opportunity to fundamentally change the Federal Government’s role in education. I am not satisfied with the status quo, and neither are Nevadans. After 36 years, the system is ripe for change. On behalf of Nevada families, I intend to press for that change.

I know that Nevadans have a fighting spirit to make our schools the best in the country. We have a fighting spirit that has been passed on, starting with our settler ancestors, from one generation to the next. Our battle-born State was formed by fighters, from one generation to the next. The spirit to make our schools the best in the country, the country that is now the envy of the world, the country that is the greatest, has been passed on, starting with our settler ancestors, from one generation to the next. Our battle-born State was formed by fighters, from one generation to the next.

I yield the floor.

The PRESIDING OFFICER. I thank the Senator from Nevada.

Under the previous order, the senior Senator from Nevada, Mr. Reid, is recognized for 5 minutes.

COMMENDING SENATOR ENSIGN

Mr. REID. Mr. President, for more than 30 years, Senator Richard Bryan and I served together in various public offices. We took the bar together. We became inseparable friends. We were known in Nevada—and are still known—as the “Gold Dust Twins.” So when Senator Bryan decided to retire, it was a tremendous personal blow to me. I really miss Richard.

But in life you move on. I feel so fortunate to be able to serve with John ENSIGN, John and I have known each other for a long time. His family, prior to 1998, were some of my biggest supporters. In 1998, of course, we ran against each other. It was an extremely close race, one of the closest races in the history of the State of Nevada, and, of course, in the history of the country.

It is easy to be gracious when you win; it is not so easy when you lose. It shows the goodness of a person as to how they are able to take defeat. John ENSIGN could write a book on how people who suffer adversity should react.

Twenty-four years prior to that race between Reid and ENSIGN, I lost a very close race in the State of Nevada. I didn’t handle it nearly as well as John ENSIGN handled his loss. I only wish I had handled the loss in 1974 the way John ENSIGN did in 1998. To his credit, not only did he handle it, as my father would say, “as a man,” he handled it extremely well. Not only that, he came back and 2 years later he was elected to the Senate. One reason he was elected as easily as he was is how he handled the loss in 1998.

I am happy to be on the floor today at the beginning of the term of the junior Senator from the State of Nevada. I am sure his parents were watching on C-SPAN, and I know how proud they are. His father is a very quiet man. He goes to very few public functions. When he does, he is easy to find because he is always back someplace, usually alone, watching his son. His mother is more in the mix of things, but I am sure they were watching this morning as their son delivered his first speech on the Senate floor. I am sure they were proud of John as they should be. He has been a real good son.

He is well educated. He is a doctor of veterinary medicine. He is someone who has been a successful businessman, both in the veterinary field and also in the field of law. He has something important than that. John ENSIGN has something his parents are more proud of than how he has succeeded in his professional public life. They are more proud of how he succeeded in his personal life. His wife Darlene has been extraordinary parents. I called John at home not long ago and Darlene took the phone. I said: Could I speak to John; what is he doing? She said: He is on the bed playing with the kids. That is what dads are supposed to be doing.

Mr. President, Mayor LaGuardia in New York City started a saying that we all use now: There is no Democratic or Republican way of cleaning the streets. That is true. In that same vein, there is no Democratic or Republican way of handling the problems that come to us in the State of Nevada, as they come to people in the State of Virginia. There is no strictly Democratic or Republican way of fixing the problems in the State of Nevada. John ENSIGN and I know that. That is why as soon as the election was over this past November he and I got together and said that we were going to set an example for the people of the State of Nevada. We were going to tell the people of Nevada, the friendship of Richard Bryan and Harry Reid, but people were doubtful how Harry Reid and John ENSIGN could represent the State of Nevada. Were we simply going to cancel each other’s votes and be mean spirited about how we reacted to each other?

We were not going to vote the same way all the time, but we decided we would be gentlemen in the way that we handled the problems of the people of the State of Nevada. We believed there was a way and we couldn’t become friends, just as Harry Reid and Richard Bryan were friends. While we are only a few months into this relationship, we both feel very good about it. We are on the road to setting an example for having the best bipartisan relationship in the history of the State of Nevada. We are going to try to do that. We vow to work closely together to protect the interests of our home State and our country.

We are here now. The Senate is 50/50. It is not going to stay that way. We don’t know how much longer, whether it is going to be the Democrats or the Republicans. Regardless of that, ENSIGN and Reid are going to work together and have a good bipartisan relationship.

I ask unanimous consent to speak for 2 additional minutes.

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

Mr. Reid. Today Senator ENSIGN in his maiden speech talked about substantive issues. These are substantive issues he has talked about for a number of years. He feels strongly about education and other matters. I am very proud of his first speech. I can remember the first Senate Committee that had jurisdiction over this issue liked what I said. Chuck Grassley was listening. He was also interested in this issue. Immediately I got bipartisan support for the legislation, and it became law.

Mr. ENSIGN. Mr. President, I ask unanimous consent to speak for 1 minute.

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

Mr. ENSIGN. Mr. President, I say to my good friend from Nevada—I call him that, too—he has welcomed me to the Senate. He has shown me the ropes. As he discussed, we are going to work for the people of the State of Nevada because there are a lot of issues that affect our State that are very unique to it. They are not Republican or Democratic issues. We have agreed to disagree on issues that we feel strongly about that are national issues, and that is fine. We hope to also set an example for the rest of the Senate of how one can agree or not agree but not be disagreeable.

I thank the senior Senator from Nevada. He is representing our State in the tremendous position he is in today. We in Nevada are all very proud of him. I thank Mr. Reid for attending my maiden speech on the floor. I look forward to many great years of working together.

The ACTING PRESIDENT pro tempore. Under the previous order, as
amended, the time until 11:17 shall be under the control of the Senator from Wyoming, Mr. THOMAS.

ENERGY POLICY

Mr. THOMAS. Mr. President, I thank the Senators from Nevada for their conversation. Certainly we have a lot of things in common with Nevada, mostly public lands. We don’t have the gambling revenue, however.

I rise to speak a few moments today on energy and energy policy. Certainly, this is one of the issues President Bush has talked about, and I think about it for some time in the Congress, the lack of a policy on energy. The President has asked Vice President CHENEY to come up with some ideas with regard to energy and an energy policy. I believe he is going to do that within the next month. I look forward to that.

One of the important and interesting aspects of this working group Vice President CHENEY has put together is that it involves the directors of several agencies. That is extremely important. What we thought is, we have an agency called Department of Energy, which is fine, but much of what is done with respect to energy is done in some other agencies, such as Interior, EPA, and Agriculture. It is extremely important that we have a high level group such as this that will bring together the different pieces that have evolved out of the various agencies.

We also are seeking to reactivate and continually activate an oil and gas forum in the Senate for those States that have particular interests in the production aspect of oil and gas and fuel. Obviously, everyone has an interest in it. No one pays much attention to it when gas is $1 or $1.10 a gallon. When it gets to be $1.90, there is suddenly a lot of interest in it. I understand that. I am in our State of Wyoming, where we are maybe the energy center of the country our natural gas prices have gone up, for heating, of course, in the wintertime. And then the California situation certainly has brought attention to it as well.

So I think even though we have sought to do this over the last several years, it is time we really focused on having a national energy policy. That will give some vision to what we expect and work with regard to energy and, indeed, how we would do that. It is interesting; I guess I wasn’t aware of the impact high-tech has had on the electricity consumption in California. You don’t think of this computer sitting in front of you, Mr. President, which is using a lot of energy. But there are so many that are turned on that it has, indeed, had an impact.

What do we need to do with the energy policy? I guess we ought to begin by saying what do we want, expect, and need in terms of energy security, our economy, our families, our communities, to have the kind of life we want to have? I think then we look at that demand situation. Of course, we have to take a look at how we are going to supply those needs.

We are currently about 56-percent dependent on foreign sources for our Nation’s supply of oil. It cost more than $100 billion in 1999, which is using a lot of energy. But of course, it is electricity, but to generate electricity, or want to, with gas. So you have to get gas there. But gas has a lot of opportunities to be used in many ways. I guess you could ask yourself, from a policy standpoint, should we be using gas exclusively in electricity generation when we could be using coal, for example, of which we have great reserves, and for stationary production; perhaps that is an alternative we ought to consider.

We want to be certain that coal will be clean fuel; and it is clean now, but it can be even cleaner if we use some research and continue to work at doing CO2 and SO2 and doing some things that we can do there.

Hydro: In the past several years, we have been in a situation where people were seeking to reduce the number of dams that were there and take away the production we have now. Hydro is a very efficient and, obviously, very clean fuel source. We can do that, that is not only for consumers but for producers and for communities around the country. How can we level that out some?

Diversity: I think we have to look at diversity. Certainly, there are a number of sources of energy. Some are used more than others. I think we need to have diversity.

The environment: As we produce domestically, obviously, we need to take into account very seriously the protection of the environment. There are new ways being discovered all the time as to how to do it. There is horizontal drilling where you can reach out over thousands of square miles with a very small footprint.

Conservation: As we look at that, there are ways in which we can use energy more efficiently than in the past. So I hope we can do that on domestic production. We can do it, of course, in a number of ways. One of the ways, I am sure, that is most important is access. We were just listening to the Senator from Nevada and 87 percent of Nevada belongs to the Federal Government. Fifty percent belongs to the Federal Government. So many of the lands where there is access and there are designs for multiple use—we haven’t had the access to be able to explore and produce in these natural resource areas. Access is something that is very important to be able to do that. I suspect we will have to look at some incentives, whether they be tax incentives or other kinds of incentives, to urge people to produce, of course.

So many of them that is always talked about that has a certain amount of merit is a tax reduction for small production wells. Wells get to the point that it is not profitable to produce them but there is a good deal of resource there. So to encourage them to do that would be useful, I am sure.

I mentioned diversity. Gas is a great resource, and we are going to use a great deal of it. That is the problem we are going to have out there. Of course, it is electricity, but to generate electricity, or want to, with gas. So you have to get gas there. But gas has a lot of opportunities to be used in many ways. I guess you could ask yourself, from a policy standpoint, should we be using gas exclusively in electricity generation when we could be using coal, for example, of which we have great reserves, and for stationary production; perhaps that is an alternative we ought to consider.

We want to be certain that coal will be clean fuel; and it is clean now, but it can be even cleaner if we use some research and continue to work at doing CO2 and SO2 and doing some things that we can do there.

Nuclear: There is a good deal more interest in doing nuclear things. I think in Illinois, the right nuclear plants produce 40 or 50 percent of the electricity. Now we have to find something to do with nuclear waste. We haven’t yet finished our Yucca Mountain proposition or some other things. Nor do we use it as they do in Europe, where they recycle and a great deal of their generation is done by nuclear. It is the cleanest in terms of air quality, as I understand it.

Renewables: We have some opportunities to increase the efficiency and make more competitive the cost of renewables, whether they be wind, air, sun, whatever. I think that is something we are looking forward to in the future.

In addition to that, the markets for energy, of course, are not generally where the energy is produced, so you have to move it. Part of the problem is, in California, nobody really wanted to build transmission lines. They didn’t want to provide rights of way to move fuel. Well, if you are going to have fuel, you have to move it there. Are there better ways perhaps to do it? Maybe so.

I think one of the things we want to look at here, because it is interstate movement, is an electric transmission grid that will make an opportunity to move electricity perhaps even from Wyoming to California and that can be done.

So there are a lot of things that need to be done. I think they need to be set up and put in place in a way that will improve the protection of the environment. Obviously, nobody wants to overlook that. At the same time, you can make it so restrictive
that it is impossible to even produce it efficiently, cost effectively. Those are the kinds of things that I think very certainly need to be considered.

We have an act before us now. The chairman of the Energy Committee, Senator Murkowski from Alaska, has put together a bill that has been done there. It talks about protecting energy supplies, security for increasing efficiency, and the certification of pipelines. It has to do with technological research, advancing clean coal technology, alternative fuels, renewables, and conservation measures, just to name a few. It has to do with all kinds of things that would encourage us to have a clean, useful economic energy program in the United States to meet our needs.

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

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

The assistant legislative clerk proceeded to call the roll.

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

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

Under the previous order, the time until 11:25 a.m. shall be under the control of the Senators from Minnesota and the Senator from Minnesota has indicated he has a number of amendments to offer and others do. I look forward to some long days and a lot of good work next week on this bill.

Mr. LOTT. Mr. President, let me respond in this way: At the beginning of a new session, particularly with a new administration, you do have to have time to get amendments or bills produced. They have to work through committees. The committees have to get organized before they can begin reporting bills, plus a lot of time is spent on confirmations. I am glad we are ready now, though, to go to serious legislation.

Our colleagues should be on notice that the days probably will be long next week, and we will be having votes throughout the day Tuesday, Wednesday, Thursday, possibly even Friday. I can't project right now what will be required in that area. We may need to even go late in order to give Senators time to make their case on amendments, and we will have a debate. That is what this agreement is about. We will move forward and we will have plenty of opportunity for important debate on this piece of legislation.

Am I correct that we will have the right to introduce amendments and have votes?

Mr. WELLSTONE. Mr. President, absolutely. I know the Senator from Minnesota has more than one amendment he would want to have debated and considered and voted on. I presume there will be other Senators who may have amendments they would like to offer. I hope we can set reasonable time agreements so that at some point we will get to the floor, and we will have a debate. That is what this agreement is about. We will move forward and we will have amendments and have a full debate; Senators can bring substantive amendments out, and we will have a debate. That is what this agreement is about. We will move forward and we will have plenty of opportunity for important debate on this piece of legislation.

Am I correct that we will have the right to introduce amendments and have votes?

Mr. LOTT. Mr. President, I think the Chair.

(The remarks of Mr. WELLSTONE and Mr. DAYTON pertaining to the introduction of S. 422 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. ESIGN). The Senator from New York is recognized.

Under the previous order, the time until 11:40 a.m. is in morning business under the control of the Senator from New York.

(The remarks of Mrs. CLINTON pertaining to the introduction of S. 426, S. 427, S. 428, S. 429, S. 430, S. 431, and S. 432 are located in today's Record under "Statements on Introduced Bills and Joint Resolutions.")

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

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

Mr. LOTT. Mr. President, I am very pleased to see the Presiding Officer in the chair this morning. I ask unanimous consent that at 1 p.m. on Monday, March 5, the Senate begin consideration of an original bill reported out of the Judiciary Committee yesterday, S. 420, regarding bankruptcy reform. I further ask unanimous consent that consideration on Monday be for debate only, to be equally divided in the usual form.

Mr. REID. Reserving the right to object, I am wondering if the leader of the Senate said anything to be equally divided in the usual form.

Mr. LOTT. Mr. President, I see no problem with that. I amend my request to indicate that we would begin at 2 p.m. on Monday, March 5 instead of 1 p.m.

Mr. WELLSTONE. Reserving the right to object, and I shall not, I first thank Senator Reid and the majority leader for their good-faith discussion. I say to the majority leader, it is my understanding—and it is his word, which, to me, is enough—that the agreement we have, which is fine with me now, is that we will get started early next week, Monday afternoon, and that the majority leader is absolutely committed and intends for their be full debate; Senators can bring substantive amendments out, and we will have a debate. That is what this agreement is about. We will move forward and we will have plenty of opportunity for important debate on this piece of legislation.

Am I correct that we will have the right to introduce amendments and have votes?

Mr. LOTT. Mr. President, absolutely. I know the Senator from Minnesota has more than one amendment he would want to have debated and considered and voted on. I presume there will be other Senators who may have amendments they would like to offer. I hope we can set reasonable time agreements so that at some point we will get to the floor, and we will have a debate. That is what this agreement is about. We will move forward and we will have amendments and have a full debate; Senators can bring substantive amendments out, and we will have a debate. That is what this agreement is about. We will move forward and we will have plenty of opportunity for important debate on this piece of legislation.

Am I correct that we will have the right to introduce amendments and have votes?

Mr. REID. Reserving the right to object, Mr. President, next week we are going to get into some heavy lifting. This is a very important bill. There are a lot of amendments. For those in the press and others who have been wondering why we haven't been doing things, it is difficult early in the session to get these matters. This is going to be some real substantive legislation. My friend from Minnesota has indicated he has a number of amendments to offer and others do. I look forward to some long days and a lot of good work next week on this bill.

Mr. LOTT. Mr. President, let me respond in this way: At the beginning of a new session, particularly with a new administration, you do have to have time to get amendments or bills produced. They have to work through committees. The committees have to get organized before they can begin reporting bills, plus a lot of time is spent on confirmations. I am glad we are ready now, though, to go to serious legislation.

Our colleagues should be on notice that the days probably will be long next week, and we will be having votes throughout the day Tuesday, Wednesday, Thursday, possibly even Friday. I can't project right now what will be required in that area. We may need to even go late in order to give Senators time to make their case on amendments, and we will have a debate. That is what this agreement is about. I appreciate the help we have had in getting this bill ready for the floor.

Mr. REID. Mr. Leader, I am wondering if I could also ask—we have had a number of inquiries from Democratic Senators—what is the rest of the day going to be like?

Mr. LOTT. Let me respond to that, Mr. President, in that I know we have some requests from Senators who would like to make remarks. We are still looking to see if there are additional nominations that might be cleared either by voice vote or recorded votes. We should have a fix on that within the next couple hours. We will announce that at 11:40 a.m. We will announce that at 11:40 a.m. I acknowledge that it is not expected that we would have votes into the night or tomorrow. Whatever we are going to do, we will do within a reasonable hour today.

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

Mr. LOTT. 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. Reserving the right to object, I ask unanimous consent that all sponsors of S. 220 be considered as cosponsors on S. 420.

Mr. REID. Reserving the right to object, I ask unanimous consent that all sponsors of S. 220 be considered as cosponsors on S. 420.

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

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

Under the previous order, the time until 12:30 p.m. shall be under the control of the Senators from New York.

Mr. REID. Mr. Leader, I am wondering if I could also ask—we have had a number of inquiries from Democratic Senators—what is the rest of the day going to be like?

Mr. REID. Mr. Leader, I am wondering if I could also ask—we have had a number of inquiries from Democratic Senators—what is the rest of the day going to be like?

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

Under the previous order, the time until 12:30 p.m. shall be under the control of the Senators of the Senate.

Mrs. HUTCHISON. Mr. President, I am not using that full 30 minutes, so if anyone else wishes the floor, they should come down at this time.

TEXAS INDEPENDENCE DAY

Mrs. HUTCHISON. Mr. President, I rise today to commemorate an important point in our history and that is the 165th anniversary of March 2, 1836, commonly known as Texas Independence Day.

Each year, I look forward to March 2. This is a special day for Texans, a day
that fills our hearts with pride. On March 2, 166 years ago, a solemn con-
vention of 54 men, including my great, great
grandfather Charles S. Taylor, met in the small settlement of Wash-
tington-on-the-Brazos. There they signed the Texas Declaration of Inde-
pendence. The declaration stated:

We, therefore, do hereby resolve and de-
clare . . . that the people of Texas do now constitute a free, sovereign and independent
republic.

At the time, Texas was a remote terri-
tory of Mexico. It was hospitable only to the bravest and most determined
settlers. After declaring our independ-
ence, the founding delegates quickly
wrote a constitution and organized an interim government for the newborn
republic. As was the case when the American Declaration of Independence was
signed in 1776, our declaration only
pointed the way toward a goal. It
would exact a price of enormous effort
and great sacrifice. My great, great
grandfather was there, signing the Texas Declaration of Independence. As
most of the delegates did, he went on
eventually to fight in the Battle of San
Jacinto, and Texas would finally be-
come an independent nation.

He didn't know it at the time, but all four
of his children who had been left
back at home in Nacogdoches died try-
ing to escape from the Mexican troops
who they feared were coming after
them.

This was known as the “runaway
scrape,” when the women and children
in the Nacogdoches Territory fled to-
ward Louisiana because they feared In-
dians and Mexican troops, and they
were trying to go to safety. But the
rigors of the trip were very harsh and
all four of their children were dead
when he returned.

Fortunately, he and his wife, my
great, great grandmother, had nine
more children. But it is just an exam-
ple of the sacrifices that were made by
people who were willing to fight for
something they believed in. That:
that is freedom.

While the convention sat in Wash-
tington-on-the-Brazos, 6,000 Mexican
troops held the Alamo under siege, challenging this newly created
republic.

Several days earlier, from the Alamo, Col. William Barrett Travis sent his
immortal letter to the people of Texas
and to the American public. He knew
the Mexican Army was approaching and he
knew that he had only a very few men
to help defend the San Antonio
fortress. Colonel Travis wrote:

Fellow Citizens and Compatriots: I am be-
sieged with a thousand or more of the Mexi-
cans under Santa Anna. I have sustained a
contumbral Bombardment and cannonade
for 24 hours and have not lost a man. The
danger has decreased in point of discre-
tion, otherwise, the garrison is to be put to the sword,
if the fort is taken. I have answered the de-
mand with a cannon shot, and our flag still
waves from the walls. I shall never surrender or retreat. Then I call on you
in the name of Liberty, of patriotism, of every-
thing dear to the American character, to
come to our aid with all dispatch. The enemy
is receiving reinforcements daily and will no
doubt increase to three or four thousand in
four or five days. The design of this hostile
army is determined to sustain myself as long
as possible and die like a soldier who never
forgets what is due his honor and that of his
country. . . .

What Texan or otherwise can fail to
be stirred by Colonel Travis’ resolve. In
fact, Colonel Travis’ dire prediction
came true, 4,000 to 5,000 Mexican troops
did lay siege to the Alamo. In the battle that followed, 184 brave
men died in a heroic but vain attempt
to fend off Santa Anna's overwhelming
army. The Alamo, as we all in Texas
know, was crucial to Texas independ-
ence because those heroes at the Alamo
held out for so long that Santa Anna's
forces were battered and diminished.

Gen. Sam Houston gained the time he
needed to devise a strategy to defeat
Santa Anna at the Battle of San
Jacinto. In an action later on
April 21, 1836, The Lone Star was visi-
ble on the horizon at last.

Each year on March 2, there is a cere-
mony at Washington-on-the-Brazos
State Park where there is a replica of
the small settlement of the 54 patriots
pledged their lives, honor, and treasure
for freedom. Every year, in, on, or around March 2, I read Colonel Travis’ letter to my
colleagues in the Senate. This is a trau-
matizing experience for me.

There were originally going to come into the
State that came into the Union as a re-
public.

I am pleased to continue the tradi-
(Continued on page 2, 1-001)

The PRESIDING OFFICER. The
Senator from Colorado is recognized.
Mr. ALLARD. I rise today to introduce some legislation which I send to the
desk.

The PRESIDING OFFICER. The
Senator from Florida is recognized.
Mr. NELSON of Florida. Mr. Presi-
dent, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. The
Senator from Colorado is recognized.
Mr. NELSON of Florida. Mr. Presi-
dent, I ask unanimous consent to be al-
lowed to proceed for 10 minutes.

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

(Continued from page 1, 1-001)

nanced, introduced the resolution into
Congress. He said: No, we will pass a
law to invite Texas to become a part of
our Union. And that law passed by 1
vote in the House and 1 vote in the
Senate.

I am very pleased Senator Tyler
thought enough of us to ask us to join the
Union and fight for our ability to
do that. We have contributed a lot to
the United States, and we are very
proud of our heritage and the history of
fighting for freedom that has been
passed through the generations in my
family, as well as in the families of so
many Texans.

I am pleased to commemorate our
great heritage and the history of Texas—Texas the republic and Texas
the State.

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

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

The assistant legislative clerk pro-
ceded to call the roll.

Mr. ALLARD. 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. ALLARD. Mr. President, I rise
today to introduce some legislation
which I send to the desk.

(Continued from page 1, 1-001)
The PRESIDENT. Without objection, it is so ordered.

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

The PRESIDENT. The assistant legislative clerk proceeded to call the roll.

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

The PRESIDENT (Mr. FITZGERALD). Without objection, it is so ordered.

STARTLING ENERGY FACTS

Mr. MURkowski. Mr. President, I rise to share with my colleagues circumstances that should be evidenced in prompt action on the energy bill which has been introduced as a bipartisan bill by Senator Breaux and myself, Senator LOTT, and a number of other Senators.

I have said for some time that we have an energy crisis in this country. Let me state that first.

The majority of the Fortune 500 corporations in this country, reporting fourth quarter earnings, have indicated their earnings have come in far less than projected as a consequence of the increase in energy in this country. There is a multiplier associated with that.

This has an effect on inventories, an effect on transportation, on virtually every facet of our economy from buying furniture to big-ticket items such as automobiles. Think for a moment that 50 percent of the homes in this country are dependent on natural gas. The average billing for energy for those homes has gone up 50 percent in the last year. There is no end in sight.

We have a situation where companies that traditionally make fertilizer—urea, the technical name—and use natural gas in the conversion of the fertilizer are no longer making fertilizer. They are reselling their supply of gas because they have some relatively low-cost gas sources. We have aluminum companies in the Northwest that are no longer manufacturing aluminum. They have shut their aluminum production down and are reselling their electricity because they have long-term contracts at favorable rates. In other words, it is cheaper to resell the power than it is to make the aluminum from the standpoint of return on investment. We have in Colorado copper mines that are no longer operating as a consequence of the cost of power. More and more people are becoming unemployed in these industries as a consequence of a lack of an energy policy.

It is not my intent to point fingers because that doesn’t get us anywhere. We have to recognize that we are going to get out of it, and we have to recognize how we are going to get out of it. We are not going to get out of it by drilling our way out, nor are we going to get out of it by conservation. We are going to have to go back to the basics of our conventional energy sources, as well as the prospects for greater dependence on alternatives and renewables, and recognize the use of our technological capabilities to enhance because our energy supply is out of balance.

We haven’t built a new coal-fired plant in this country since the mid-1990s. Why? A number of reasons: Perpetual costs, the problems associated with removing high sulfur, and the realization that we have had to take many of our old coal-fired plants, which became inefficient and no longer could meet permits, out of the mix.

We haven’t built a new nuclear plant in this country in nearly 20 years. Why? It is not because we don’t have the technology. Nuclear contributes about 20 percent of our energy. It is emission free. The reality is that we have not been able to address what to do with the spent fuel and can’t come to grips with the technology or with how or where we are going to dispose of it. As a consequence, nobody in their right mind would build a nuclear plant in this country. We talk about hydro, but we have limited the hydro that is available. We are debating whether to take some dams down, but there is a tradeoff. If you take the dams down, you eliminate the ability to move traffic by barge, so you put it on the highway so you have to transport it.

So we have turned to natural gas as our preferred source of energy. A year ago, natural gas was about $2.16 per thousand cubic feet; now it is $8 or $9, and it has been up as high as $10. The point is that we are pulling our natural gas reserves down at a very rapid rate. The realization is, as we have seen in the California dilemma where they have become dependent on outside energy sources within their State of about 25 to 30, the danger of becoming dependent on outside sources.

Let me conclude with a reference to oil, which is something I know something about. Currently, 56 percent of our oil comes from overseas, primarily the Mideast. The CSIS study shows that for the next decade we are going to increase our dependence on hydrocarbons. That doesn’t mean we are not conserving more, or should not, or develop more alternatives. The realization is we are simply using more energy. Society consumes it, and e-mail, by technology, and it is fostered by energy.

The picture I am painting today is not very pretty, but there is one more facet of concern to this Senator from Alaska. When do we begin to recognize the national security interests by increasing our dependence on imported oil? I have said this in this Chamber on many occasions, and I will say it again.

If we look at our policy toward Iraq, a country we fought a war against in 1991 and 1992 to ensure that Saddam Hussein didn’t invade Kuwait and go on into Saudi Arabia and basically control the world’s supply of oil, isn’t it ironic that since that time we have flown over 20,000 sorties, enforcing the no-fly zone, and the cost of that to the American taxpayer is difficult to calculate. You might say it is a Pentagon energy tax that costs one of us to enforce that no-fly zone.

The other day, the raids in the northern part of Iraq were carried out to destroy Saddam Hussein’s technical capabilities, the radar and the sensing system, which endangers our aircraft and our pilots. If you look at that scenario—and I have said this before—we seem to have an arrangement where we buy his oil, 750,000 barrels a day, and we put it in our airplanes, and then we go bomb him. That may be an oversimplistic statement, but I think it is fairly accurate.

What does he do with our money? He develops his missile capability, his delivery capability, and his biological capability to try to go after us. Our greatest ally in the Mideast, Israel. So we have some inconsistencies.

I was asked the other day to explain at what point I thought we would compromise our energy security interests by increasing our dependence on imported oil from the Mideast. I thought for a while, and I responded by saying: I guess we have already been there. We fought this war and lost 147 lives. We have had 427 wounded. Now, the Department of Energy is counting to be close to 63-, 64-, 65-percent dependency in the early years of the 2007 period, or thereafter. If we are going to increase that, at what point are we really vulnerable to being held hostage by the Mideast, Mr. President?

What does that mean? Well, it means that since we have become so dependent on one source—the Mideast, which is a very unstable part of the world—we face the reality of them controlling the price of oil, and we can pretty well dictate the terms of our addiction to oil. They can do that simply by reducing the supply at any given time, and they have shown the discipline to do that. As a consequence of that, they can increase the price.

The point of my discussion is to suggest to you that we should all come to grips with the reality that this administration has to adopt an energy policy with great dispatch. It has been estimated that the high cost of oil is reducing our U.S. economic growth by as much as 2 percent a year. Our lost GDP has been estimated at about $165 billion a year. It is estimated that we are losing approximately 5.5 million jobs that we would have had, had we had the availability of relatively low-cost energy.

The last point I want to make is as to our vulnerability. As I indicated in my opening remarks, we are not going to drill our way out of this, by any means. We have to go back to the basics and get the balance. There is legislation introduced in this body to put the
one single area in North America where you are likely to find a major oil discovery into a wilderness in perpetuity. I really question the judgment of that action in a time of supply shortage of the present magnitude. To suggest that an arbitrary action is going to resolve our energy shortage is not only shortsighted but unrealistic.

If, indeed, this body chooses to open that sliver of ANWR—and I say a sliver because it is just that—of 19 million acres, an area of the size of the State of South Carolina, we would propose to open a million and a half acres. The technology is in place, and we would have a footprint of between 1,000 and 2,000 acres. Imagine that, an area the size of the State of South Carolina. That is the sliver about which we are talking.

We have the technology to protect the environment, the ecology, and the caribou. The answer is certainly.

That, by any means, resolve the energy policy, but it will go a long way in two particular areas. If the oil is there in the abundance the geologists suggest, that one act will reduce our dependence on Mideast oil to less than 50 percent.

The goal of our energy bill—and its objective with which I think most people will agree—is to reduce our dependence on foreign sources of energy by the year 2010. The question is, How do we do it? We develop domestic sources with our technology in the overthrust belt, offshore of the Gulf of Mexico, my State of Alaska. We expand our energy sources by using technology to do it better.

To suggest this is the time to consider putting the wilderness off limits is unrealistic and I think bad politics because each one of us is going to bear the responsibility to our constituents to explain why we cannot get together on a workable, responsible energy policy, one that addresses the merits of a balanced effort to lower the cost, increase the productivity of our Nation, and of the dispatch.

I encourage my colleagues to take a look at this bill. It is a 300-page bill. God knows why it has to be 300 pages, but we are looking at a situation where the present magnitude. To suggest that an arbitrary action is going to resolve our energy shortage is not only shortsighted but unrealistic.

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I encourage my colleagues to take a look at this bill. It is a 300-page bill. God knows why it has to be 300 pages, but nevertheless that is what it came out to.

Also, this bill is a composite of Republican and Democratic ideas. It is a bipartisan bill—Senator Breaux is one of the original cosponsors—and it attempts to promote alternative fuels, increase energy conservation, and explore our own resource base and use our technology. As a consequence, we should get on with the challenge ahead because the sooner we get on with it, the sooner we can rectify this terrible situation that is beginning to threaten our economy, increase unemployment, and result in a situation where there is perhaps a similar exposure to that we have already seen in California.

California is striving for more energy as a consequence of not having produced energy in a manner to keep up with demand. We are in that same situation nationally.

I encourage my colleagues to review the legislation. I encourage them to communicate with us on changes and additions, and I encourage the administration, which is in the process of developing their view of an energy policy to do it with some dispatch because the rates are going up. The problem is getting worse, and the economic impact on our society and our businesses is evident, as I have already said.

EXTENSION OF MORNING BUSINESS

Mr. MURkowski. President, I have been asked by the leader to propose a unanimous consent request. I ask unanimous consent that the period for morning business be extended, with speakers permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak 20 minutes in morning business.

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

FISCAL POLICY

Mr. DORGAN. Mr. President, we will begin, following the President’s State of the Union Address, hopefully a thoughtful and active debate about this country’s fiscal policy including tax cuts, the budget, and related matters.

These are very important issues. I wish to speak about some of them today, not from the standpoint of politics or polls, but more from the standpoint of what I think the choices ought to be for this country’s future. I know there is a heavy dose of politics surrounding all of this. That is not my interest. I am much more interested in trying to think through what would be good for this country, what is going to keep us on track for the next 5 and 10 years to provide an economy that expands and provides jobs and opportunities for our children and their children.

Having said that, I want to make a couple of comments to set the stage for where we are.

There are a lot of people who continually complain about this country, and it is hard to complain about this country with a straight face. This is the most remarkable place on the face of the Earth. We are the country that created a system of public education, saying to every child in this country: You can go to school and be whatever you want to be. We are not going to move you off in one direction or the other. Universal education.

It is us, our country, that has spawned an educational system that has created the scientists, engineers, and the thinkers. We split the atom and we cloned animals. We invented the silicon chip and radar. We built television sets, the telephone, and computers. We built air-planes and learned to fly them. We built rockets and flew them all the way to the Moon. We cured small pox and polio. That is us; that is what we have done in this country. What a remarkable place in which to live.

We are also a country that in all of my adult lifetime, and the adult lifetime of most of the people who serve in this Congress, have had two enduring truths underpinning everything else we have done. One of those truths is we were involved in a cold war with the Soviet Union, and that affected virtually everything we did, including the choices we made in this country in fiscal policy. The second enduring truth is we had a budget that seemed to produce deficits that every year grew larger and larger.

Those two truths which underlined virtually everything else we did in our lifetimes are now gone. There is no Soviet Union, there is no cold war, and there are no budget deficits. Everything has changed, and the result is a different kind of economy in this country in which we have surpluses. The question is what to do with these surpluses.

My great concern as a policymaker, not from the standpoint of someone who represents a political party, is that we not make the mistake we made before.

Twenty years ago this country embarked on a fiscal policy advocated by a President who advocated the following: We can double our spending on defense, because then we were in the middle of a cold war with the Soviets; we can double our spending on defense; and we can have a very substantial tax cut, and it will all add up to a balanced budget.

In fact, it did not. It added up to trillions of dollars of Federal debt that then marched toward $5.7 trillion of Federal indebtedness in this country.

So we do not make that same mistake again. The author Russell Hoban said: If the past cannot teach the present, if a father cannot teach the son, then history need not have bothered to go on, and the world has wasted a great deal of time.

Let us learn from the past. Let us learn the lessons of the past in fiscal policy.

What does that mean for us with respect to these surpluses and with respect to proposed tax cuts and budgets? What does that mean for us with respect to the surplus and budgets? What does that mean for us with respect to the budget and cuts?

Let me speak first about uncertainty. Nine months ago, Alan Greenspan—who is canonized in a new book, the American soothsayer, the economist who knows all and sees all—said our economy was growing too fast and he needed to slow it down. Think of that. Nine months ago our economy was growing too rapidly, according to Alan Greenspan and the Federal Reserve Board. Nine months later, we are wondering whether we might be nearing a recession. Certainly, the economic growth rate has now dropped to near zero.

My point is this: If we can’t see 9 months in advance, and the Federal
Reserve Board could not, how can we then believe we can see 3 years, 5 years, 7 years, or 10 years ahead in terms of economic prosperity that would allow us to say there is enough surplus available to provide a very large permanent tax cut without paying substantial risk of future deficits. The uncertainty with respect to the economy work. It is not like the

This is faith-based economic forecasting, no matter, relying less on one book and get a hollow sound, it doesn’t have any sense. That is not fair. And others say, well, gee you are involved in class warfare. Nonsense. Sigmund Freud’s grandson had something to say about this. He said: When you hit someone over the head with a book and get a hollow sound, it doesn’t mean the book is empty. Facts are facts. Facts are sometimes stubborn. The proposed tax cut will have an overtaxed. Most people want a tax cut. That is not a question that if we had a Medicare program being created today, we would have a prescription drug benefit in that program. All of us have had the experience of someone coming up to us at a town meeting, I recall a meeting one evening in northern North Dakota. A woman came up to me, probably close to 80 years old, and grabbed me by the arm and said: Senator DORGAN and her eyes began to fill with tears and her chin began to quiver—I take several kinds of medicine for heart disease and diabetics, and I can’t afford them. I can’t pay the bills anymore. Yet I need that medicine to extend my life. What do I do?

All of us have had that experience. We know we need to put a prescription drug program in the Medicare program. We know that ought to be a priority as well. Education is a priority. We know what has made this country great, in part, is a public education system available to all children to become the best they can be, wherever they are, no matter their circumstance in life. We know that has contributed to the significance of this country’s growth and opportunity. How do we do that if it is not a priority to say we want to fix schools that are in serious disrepair? We can help do that. We want to reduce class size. We know it is easier to teach children in a class size of 15 kids than a class size of 32 kids. We know kids learn better in well-equipped classrooms rather than in some adjunct trailer in which you have stuck 30 kids with an inch between desks and a teacher trying to do what we all of them. That is a priority, as well. Another priority for me is family farmers. We have a great many family farmers in North Dakota struggling mightily to try to stay on the farm. That is a priority. Grain prices have collapsed. Our farmers are told by the grain market that the food they produce has no value. What on Earth can we be thinking of? Has no value? Five hundred million people will go to bed with an ache in their belly in this country because the food they have bought is too expensive. And a farmer harvests grain and hauls it to the elevator to be told, “your food has no value.” There is something
dreadfully wrong with that. This country would want, it seems to me, to create and maintain a network of family farmers for this country’s security interests, if for no other reason, but from my own view, we want to do that because it enriches this country to have a broad network of food production all across our country. Yet families are discovering they are losing their heritage on the family farm.

A friend of mine is an auctioneer. He said he was doing an auction sale one day, and he came up to the end of the auction sale, and he had tears in his eyes. He was about 10 years old. He grabbed my friend by the leg. He was very distraught. The auctioneer tried to comfort him, and this little boy said to him: You sold my father’s tractor.

He patted him on the shoulder, and he tried to comfort him some more, and the little boy said: I wanted to drive that tractor when I got big.

So, that is a priority for me, family farmers.

My point is this. When we talk about having a balanced budget policy, we cannot just have one central piece that says, here is what we want to do, to the exclusion of everything else. That is not what made this country a great country in which to live.

Those of us who believe strongly that we ought to have a balanced fiscal policy but would avoid the mistakes we made in the past, and that is believing that numbers that inherently don’t add up do add up. We know better than that. We all took math and algebra. We understand what adds up. This proposal that has come to this Congress with a budget and a tax plan is well over $1 trillion short. It does not take a genius to see that. It is well over $1 trillion short of adding up. Yet everyone will walk around here, pretending this adds up. You would fail fourth grade math believing that.

So first, it ought to add up—not for the purposes of helping one political party or another. That doesn’t matter so much to me. It ought to add up for the benefit of this country’s future. We need to keep this country on track. We need to continue an economy that provides jobs and opportunity ahead.

How will we do that? By encouraging and maintaining the confidence of the American people that we are doing the right thing for the American people. I think, believe the right thing is, during good times, help pay down the Federal debt with some of that surplus: You ran it up in tough times. In some cases, it wasn’t the popular thing but it was the right thing. We have a responsibility to accept this opportunity given to us to do the right thing as well.

I say to our new President, his Administration, I think, dealt with a number of significant and important issues. On some of them, I will be supportive. On others, I will be a fierce opponent. But I hope, as we think through all of these issues, we can understand what the public interest is—not the party interest.

The decisions we make in this Chamber could well affect this country 5, 10, and 25 years from now. If we put this country on the wrong course and throw this economy back into growing, choking, heavy deficits year after year after year, it will once again be one of the enduring truths of the political life and the public life of everyone who comes after us in this Chamber; it will be one of the enduring truths that serves as a backdrop for every other decision that is made for the next 5, 10, and 25 years. We were able, as I said when we started, to shed the yoke of those two enduring truths that cost us so much. The cold war? The Soviet Union is gone. That was a backdrop for virtually everything we did for many years. That is behind us. The growing budget deficits that represented a cancer in this country’s budget—they are gone. They affected virtually everything we did in this Chamber for many years. That is a blessing. Those enduring truths have changed.

So let us make decisions now that do not re-create those liabilities for those who follow us. Let’s make decisions that put this country on track to a much better and brighter future that is sustained for the long term.

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.

Ms. STABENOW. 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 Senator from Michigan is recognized.

Ms. STABENOW. Thank you very much. I ask unanimous consent to speak in morning business for 10 minutes.

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

S1734

CONGRESSIONAL RECORD — SENATE
March 1, 2001

SOCIAL SECURITY AND MEDICARE OFF-BUDGET LOCKBOX ACT OF 2001

Ms. STABENOW. Mr. President, this afternoon I urge my colleagues to join with Senator CONRAD and myself and others who are sponsoring S. 21, the Social Security and Medicare Off-Budget Lockbox Act of 2001.

I know this legislation came before the body last year and passed by 60 votes, including 14 votes by my colleagues on the other side of the aisle. I think this legislation is particularly critical at this time given the budget that the President has proposed to the Congress, and the fact that while he has indicated support for Social Security—although not reserving the expenditures of it but he has talked about Social Security—he did not mention reserving the Medicare trust fund. This is a critical issue for me and all the people I represent. To leave the Medicare trust fund unprotected as we talk about investments and spending and how we are going to address taxes is a quorum.

This morning we had the opportunity in the Budget Committee to hear from our new Secretary of the Treasury. Again, he spoke about Social Security but did not indicate a commitment to protecting the Medicare trust fund.

We have about $500 billion that needs to remain within the trust fund and be
protected for the future. We all know that we are going to see within the next 10 or 11 years additional strains on Medicare as those of us who are baby boomers come into the system, and beyond. We have critical needs in Medicare. We don’t need to put $200 billion in that box that is open for spending or a tax cut. We need to place it on the side with Social Security, in a lockbox—all of Social Security, all of Medicare in a lockbox—so we are guaranteeing that we are not touching a penny of either Social Security or Medicare.

When I first came to the Congress and was in the House of Representatives for 4 years, we were talking about trying to keep ourselves moving to pay off our debt so we could finally say that Social Security and Medicare trust funds would not be used in the bottom line of the budget.

We heard people in both parties—in fact, again a vote was taken last year to support the bill that has been reintroduced—and yet with all of that support, we now find ourselves in the position with a budget being proposed that does not add up, unless you add using Medicare trust funds to the bottom line. I am greatly concerned about that as we look to the future in Medicare.

We all want to see a tax cut. We may struggle and debate who ought to be receiving the majority of that tax cut. My preference is that a lot of it go across the board and be targeted to the working class men and women and their families.

We all talk about deficit reduction and protecting Social Security and Medicare for the future. Unfortunately, while sitting in the House Chamber on Tuesday night, I saw a proposal in broad terms that did not add up. My fear is that will move us backwards rather than forwards as we have been continued through our fiscal position and our economy.

We do not need to go back to the eighties and higher interest rates and high unemployment. In my great State of Michigan, those were tough times for families, small businesses, and family farmers that I represent. I am in no way interested in going back to those times with fiscal policies that do not add up.

I join with the President and with others who want to see tax cuts for middle Americans. We can do that without spending Medicare and Social Security. We can do it without putting ourselves back into a situation where we are going into deficit spending. I truly believe the people of the great State of Michigan want me to support a balanced approach that continues to pay down the debt and protects Social Security and Medicare, and to provide tax relief across the board that is focused on middle-income workers, small businesses, and farmers; and we are also committed to a future that includes investment in our children, in education, access to college, and making sure that health care, particularly prescription drugs, is available for the people whom we represent.

Again, I urge my colleagues to join with us in a proactive way to support S. 21. I hope we can get everyone in Michigan to be a cosponsor of this bill which clearly sends a message across the country that we want to work together to fashion a plan to keep our economy going and provide tax cuts, and that we not spend Medicare trust funds to do it.

I urge my colleagues to join in supporting the lockbox for Social Security and for Medicare.

Thank you, Mr. President. I yield my time. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BOND. 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 PRESIDENT’S BUDGET AND TAX REDUCTION PROPOSAL

Mr. BOND. Mr. President, one of the very lucky things we have around here is the opportunity to listen to some very intelligent people giving us their ideas on a wide variety of subjects. Recently, I have had the pleasure of listening to Chairman Alan Greenspan, who spoke before the Budget Committee a couple weeks ago. Yesterday, we had our budget director, David Walker, speaking to the Centrist Coalition and also had an opportunity to listen to Larry Lindsey, the President’s economic adviser, who used to serve on the Federal Reserve. I have learned a good number of things from them that I think are very important for the discussion we have about the budget and how we deal with the tax surplus that is confronting our country. As previous speakers have said, we have no longer in a cold-war world; we are no longer trying to get out of the budget deficit problem.

I think a couple things need to be clarified about some remarks I heard earlier. No. 1, it was not the tax increase of 1993 that got us out of the budget deficit situation. I served on the Budget Committee during those, what I would say were very frustrating years—1993, 1994, 1995. We went back and checked. Do you know something very interesting? In spite of the fact that President Clinton and the then-majority Democrats proposed the largest tax increase in history, it did not do anything to lessen the deficits.

We went back and checked because the President’s budget proposal, I think for four straight budgets, proposed deficits of $200 billion a year, roughly as far as the eye could see.

There was no decrease in the deficit because they proposed to spend the money. We raised taxes to deal with the deficit, but then they raised spending to cover up the tax increases.

So it was not until we got into those battles in 1995—and those were difficult battles; I don’t want to relive those days—but those were important battles because we finally made the point—with a Republican Congress and a Democratic President—that we had to start getting spending under control to get out of this deficit spiral that was driving us further and further into debt. And we did it.

And we did something else, again, without the support of the President initially, and with some, but not a lot of, support from the other side of the aisle. We cut the capital gains tax rate. At the time, CBO and others were saying: Oh, the capital gains cut is going to cost revenue to the Federal Government.

Some of us believe that when you cut taxes, particularly on an optional activity, such as selling property—which triggers capital gains—you can actually get more sales of property; that we could unlock some of the locked-in gains. We did, and capital gains revenues went up significantly.

But lo and behold, something else very important happened. As we took away the disincentive to roll over old investments and put them into new investments, we started seeing them in something new called information technology, which enabled us to develop much more productive ways of doing things. Lo and behold, the productivity of this economy grew. When the productivity grew, we can get more goods and more services—a better quality—without paying more, and we can pay better wages.

We also had welfare reform, which took significant portions of the people off welfare and put them to work. Again, I am proud that the Republican Congress was able to pass a bill three times—two vetoes—and then it was finally signed, and we got more people working.

So we were really generating things with our economy. We had good jobs, and productivity was up. Our lucky streak ran out, probably back in September, as the indicators turned down. We are seeing signs that are not encouraging, that the business cycle may be going into a downturn. But we believe that for the long term, this country is going to continue to grow. The budget projections of the CBO, and the blue chip indicators even if we do have these budget downturns, we are still probably going to have about a $5.6 trillion tax surplus over the next 10 years. It might be lower; it might be higher.

Likely, we can continue to invest in productivity—the rate of productivity growth we have had in recent years—it will be higher. So the question becomes, What do we do with that $5.6 trillion tax surplus? David Walker says we ought to pay down all the debt as quickly as we can.

Chairman Greenspan used to say that, but now he has said: Wait a
minute, you can only pay down so much of the debt because a lot of it is in bonds and other long-term instruments that people are not going to want to sell because a lot of us have given savings bonds, and other things, to our kids or people who have made long-term commitments to saving. So we cannot get them all back.

So Alan Greenspan, when he testified before the Budget Committee, said it is time that we start reducing taxes. We need to continue to pay down the debt in a responsible manner, but do not try to get rid of all of it, and start now with some tax relief.

So the President has come up with a proposal for that $5.6 trillion. To use $2.9 trillion of it for Social Security and Medicare; to use $1.6 trillion to reduce the tax burden of those who are paying taxes; and set aside another $1 trillion for needed investments—actually, expenditures that may come along, and that is after we have the ordinary temporary growth. So that is even after Government grows by, say, 4 percent in discretionary spending.

The one thing that everybody agrees we should not do with that surplus is lock it in totally to more mandatory spending, because that is what, according to David Walker, is going to break this country 20, 30, 40 years down the road, if we do not do something about it. We cannot continue to lock in automatic spending because you never can get out of it; it is too difficult.

So the President said he wants to give a $1.6 trillion tax reduction. Our Democratic friends say: We want only $900 billion in tax reduction. The President said: We are going to increase spending some. But apparently—my guess is—my colleagues on the other side of the aisle would want to spend the $700 billion difference between what they want as a tax reduction and what we want.

Frankly, I think that is a bad way to go because our economy is suffering right now under the highest income tax rates we have ever had in peacetime. Mr. President, 21.6 percent is what we pay in taxes now. The only time it was higher was in 1944, at the height of World War II. That tax rate is too high. It threatens to choke off the money flowing into productivity, to businesses, to families, to make their own decisions, to make their own investments, and truly a responsible figure. A portion of that must go to reduce marginal income tax rates.

Just a few years ago, the top marginal rate was 28 percent. A lot of people, you poll them, will say: Yes, the Federal Government could take 28 to 30 percent of a rich person’s income, take it in taxes.

The President is only lowering the top rate to 33 percent, but he is giving across-the-board relief to all Americans paying income tax. Six million people, the lowest income people paying income tax, could be dropped off the rolls. For a family of four making $35,000 a year now paying income tax, they would pay none. For a family of four making $50,000 a year, their income tax burden would be cut in half.

A question has been raised in this Channel about progressivity. Are you continuing to tax the wealthy more? The answer to that is yes. You drop 6 million people off at the bottom; then you have the wealthy. Anybody who makes over $100,000 a year—we could say that is relatively high income—right now those people making over $100,000 a year pay 61.9 percent of the total income taxes collected. After the Bush plan is fully implemented, they would pay 64.1 percent. They would be paying a larger share, more than 2 percent more of the taxes. If we want progressivity, President Bush’s plan is important.

Why is it important? Because only with that tax reduction can we make available the continuing investment in the continued economic growth. That means the individuals, small businesses are making investments in other companies and in their own companies. There are some 20.7 million small businesses in America taxed at personal rates. These are the companies, personal operations—a farm, a small store, a computer consultant—or they are partnerships or sub S corporations. That means the individual tax rate affects the business.

A few years after the 1985–86 tax cut, they only had to pay 28 percent as a top rate on their income. They used that money to invest in new equipment, in new employees, to expand their business. Now some of them at some rates pay as much as 44 percent as a top rate in their business. That is a significant cut in the amount of money that is available to invest in business and expand productivity.

I asked Alan Greenspan: Why is it that those top rates are the best thing we can do for the economy? He said: For the long-term, the best thing you can do for the economy is to reduce marginal rates because reducing marginal rates puts more money into the investments we need—into technology, equipment that improves productivity, provides better wages and better economic opportunity and more jobs.

That is basically the reason why the Bush tax plan makes a great deal of sense. There are a lot of other ideas around here. I am sure we will have an opportunity to work on them. For the long term, if we want to keep our economy growing—and I think we really do—we need a balanced approach that does as the President said: No. 1, reduce the debt as far as it can; provides tax reductions that will be put into productive investment; and puts money into high priority items, items such as education, items where we can see a real need.

We also need to reform Medicare, including prescription drug options for seniors in assisting low-income seniors. We ought to get about working to reform Social Security as well. As we do those things, leaving money in the private sector is the best way to make sure our country can progress.

There are those on the other side who say we are giving money back to the wealthy to purchase a Lexus. Frankly, we make a lot of cars in Missouri; we don’t make the Lexus. If they have earned the money, the question is: How much of that do you tax away? If they buy a Ford or a Chevy or a Dodge minivan, they are putting a Missouri plan to work. That is not all bad. We could have that if we adopt a sound economic plan, a sound budget, and a responsible tax reform proposal. I believe the President’s proposal is sound.

We have heard statements made, a lot of statements, that the top 1 percent of the income earners only pay 20 percent or 21 percent of the income tax. That is not true. They pay 34 percent of the income tax. We would wind up paying more under the Bush plan. It does keep progressivity as well as providing relief up and down the line.

I hope the American people will take the time to find out the truth about the economics of the tax. They would wind up paying more under the Bush plan. I believe if they do, they will find that this is a plan that makes sense. It is balanced. It meets the priority needs of the American people, and it is the best recipe we have to ensure continued economic growth, good jobs, increasing productivity, and a better way of life for all Americans.

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

The PRESIDING OFFICER (Mr. SMITH of Oregon). The clerk will call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the question shall be dispensed with.

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

FEMA

Mr. REID. Mr. President, in recent years in the State of Nevada we have had two natural disasters that have been very traumatic. One was in Reno, one in Las Vegas, and both were floods. The majority of the natural disasters that we have in America, are caused by water. There are earthquakes, of course, and there are fires, but most of our natural disasters have to do with water.

As I just mentioned, in Las Vegas and also we had two devastating floods. They both destroyed property. Thankfully the loss of life was fairly minimal, but there were lives lost, nevertheless, these floods were devastating. Homes were washed away. Businesses were washed away.

The one highlight, as I look back, was the fact that the Federal Emergency Management Agency, FEMA, was there and they did a wonderful job.
They were there during the violent storms—the storm in Las Vegas and the one in Reno.

I cannot stress enough how important FEMA was to the people of the State of Nevada. They move in quickly, set up relief stations, and constructed temporary shelters. They set up a Federal office where they would meet with people to talk with them about their losses, whether or not there were emergency loans available.

FEMA, through something called “Project Impact,” set up a disaster mitigation project. In effect, what it did after the flood was to help in Las Vegas to reduce Las Vegas’ vulnerability to floods. Project Impact offers seed money to help cities all around the country allay the effects of natural disasters.

In Las Vegas, officials worked with State and local officials on waste, to upgrade the sewer system, build ducts, install backflow valves to prevent flood water from getting into homes, and place barriers to prevent similar disasters from happening again. Project Impact has made a real difference in Nevada.

The former mayor of Las Vegas, Jan Jones, said Las Vegas could not have gotten through the floods without the assistance of project impact. I credit this project with helping hundreds and hundreds of Nevadans bounce back from a very difficult time. Most importantly, it was almost 7 on the Richter scale, the loss of life was minimal. At this point we only know of one person who died as a result of that earthquake.

Yesterday’s earthquake survivors were fortunate that the quake occurred deep in the ocean, some 30 miles underground, and it was almost 7 on the Richter scale, the loss of life was minimal. At this point we only know of one person who died as a result of that very severe earthquake. Several hundred have been hospitalized, and several of them are hurt badly, but the impact, because of where it occurred, was lessened.

Project Impact is a program that works. In the State of Nevada, with the money allocated to FEMA under Project Impact, the city is working on bracing schools, water tanks, working on bookshelves—things like that. The same is taking place, as we speak, in Seattle. Furniture and computers are being restored or repaired, and they have trained 1,600 homeowners to shore up their houses. I give this brief background to indicate that I think this new administration, wants to wipe out Government waste, they want to cut Federal spending. As a Senator, I commend this administration for that. They want to save whatever money they can and return it back to the people in the form of tax cuts, and that is the right thing to do. But with all the good Project Impact has done, it is hard to understand why President Bush has targeted this program for elimination in his budget.

In the budget proposal, the outline which was presented to Congress yesterday, the President canceled FEMA’s Project Impact, saying that the $25 million Federal-city program has not been effective.

I ask President Bush to reconsider. I am applying for aid, because from the experience we have had in Nevada, this is a good program.

I am also very concerned that the President plans to cut overall FEMA spending by 17 percent. This is wrong. He is going to cut this program by about $200 million, forcing us to come back with a supplemental and put this money in anyway.

I do not know where the natural disasters are going to take place in America today. I do not know where the fires are going to take place. I do not know where the fires are going to take place. They are going to take place sometime during this fiscal year, and FEMA must have the money and resources to meet these emergencies.

When people are hurt, when people are afraid, we need to have the Federal Emergency Management Agency have the resources to take care of these people. People yesterday did a remarkably good job. They have become so much better than they were.

I say that our President, must take a look at what his people have recommended be done. This is the President’s budget. He makes the ultimate decision. But I want those people who are working with President Bush to take another look at this. We cannot— we should not—eliminate $400 million from FEMA because, I repeat, even with full funding, it is very likely we are going to have to come back as we do every year, for more money for these emergencies.

Late yesterday, President Bush dispatched his new Director of FEMA, Joe Allbaugh, to the State of Washington. President Bush said Mr. Allbaugh would work with State and local officials to provide whatever help he could to the people of the State of Washington.

We have seen the pictures of Washington after the quake—the still pictures in newspapers—and we have seen the disaster more vividly on television. Seattle and other places in the State of Washington have very serious problems, and Seattle is showing the Nation that damage to Seattle was not more serious than it was.

So as we find ourselves in this tax and budget debate, these are the details we have to account for these emergencies.

I know Nevadans want a tax cut, and I know the people of Alabama want a tax cut. In every State of the Union, people want a tax cut. Nevadans and all Americans have worked hard to earn this surplus, and they have worked hard to get it. They deserve a major tax cut. It is time to reach a compromise to make sure they can receive a fair tax cut, but it has to be one that pays down the debt and protects Social Security.

We have to give people their fair share of a tax cut, but that does not eliminate programs such as FEMA. It has to leave money so we can have a prescription drug benefit. It has to leave money so we can do the things we need to do regarding education.

So just as families plan for unexpected demands on their resources, we have the responsibility to ensure that this Nation has resources to respond to its emergencies, such as the floods I have talked about in Nevada and this earthquake that took place yesterday in Seattle.

In the past, parts of our Nation have been devastated by unyielding wildfires and unforgiving hurricanes and earthquakes. Unfortunately, we will have these emergencies.

I believe it is our responsibility to account for these inevitable commitments. The best way to do that is by preparing for the worst, not by reacting when lives have been taken and property has been destroyed. We need to be prepared, and we cannot be if we are going to cut Federal Emergency Management Agency funding by 17 percent. Certainly, we should not cancel FEMA’s Project Impact moneys. These moneys are very important.

As I said, with Seattle, Project Impact has helped make Seattle buildings more earthquake resistant. Without this, problems in the State of Washington would even be worse.

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

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

RULES OF THE ARMED SERVICES COMMITTEE

Mr. WARNER. Mr. President, I ask unanimous consent that the Rules of Procedure of the Committee on Armed Services, as adopted yesterday by the Committee, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:
1. Regular Meeting Day. The Committee shall meet at least once a month when Congress is in session. Regular meetings of the Committee shall be Tuesday and Thursday, unless the Chairman, after consultation with the Ranking Minority Member, decides otherwise.

2. Additional Meetings. The Chairman, after consultation with the Ranking Minority Member, may call such additional meetings as he deems necessary.

3. Special Meetings. Special meetings of the Committee may be called by a majority of the members of the Committee in accordance with paragraph 3 of Rule XXVI of the Standing Rules of the Senate.

4. Open Meetings. Each meeting of the Committee, or any subcommittee thereof, including meetings to conducthearings, shall be open to the public, except that a meeting or series of meetings by the Committee or a subcommittee thereof on the same subject for a period of no more than fourteen (14) calendar days may be closed to the public on a motion made and seconded to go into closed session, if such matters enumerated below in clauses (a) through (f) would require the meeting to be closed, followed immediately by a record vote and a majority of the members of the Committee when it is determined that the matters to be discussed or the testimony to be given at such meetings:
   (a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign policy of the United States;
   (b) will relate solely to matters of Committee staff personnel or internal staff management.
   (c) will tend to charge an individual with a crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;
   (d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that has been kept secret in the interests of effective law enforcement;
   (e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—
      (1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or
      (2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person;
   (f) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

5. Presiding Officer. The Chairman shall preside at all meetings and hearings of the Committee except that in his absence the Ranking Majority Member present at the meeting shall preside unless by majority vote the Committee provides otherwise.

6. Quorum. (a) A majority of the members of the Committee are required to be actually present to report a matter or measure from the committee. (See Standing Rules of the Senate, paragraph 30.)
   (b) Except as provided in subsections (a) and (c), and other than for the conduct of hearings, eight members of the Committee, including one member of the minority party; or a majority of the members of the Committee, shall constitute a quorum for the transaction of business as may be considered by the Committee.
   (c) Three members of the Committee, one of whom shall be a member of the minority party, shall hear and determine the purpose of taking sworn testimony, unless otherwise ordered by a majority of the full Committee.
   (d) Proxy votes may not be considered for the purpose of establishing a quorum.

7. Proxy Voting. Proxy voting shall be allowed only upon written authorization of the members of the Committee or subcommittee when it is determined that the matters to be discussed or the testimony to be given at such meetings:
   (a) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign policy of the United States;
   (b) will relate solely to matters of Committee staff personnel or internal staff management.
   (c) will tend to charge an individual with a crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy or will represent a clearly unwarranted invasion of the privacy of an individual;
   (d) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that has been kept secret in the interests of effective law enforcement;
   (e) will disclose information relating to the trade secrets or financial or commercial information pertaining specifically to a given person if—
      (1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or
      (2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person;
   (f) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

8. Announcements of Votes. The results of all roll call votes taken in any meeting of the Committee on any measure, or amendment to any measure, shall be announced in the Committee report, unless previously announced by the Committee. The announcement shall include a tabulation of the votes cast in favor or against each amendment to each such measure and amendment by each member of the Committee who was present at such meeting. The Chairman, after consultation with the Ranking Minority Member, the Chairman may hold open a roll call vote on any measure or matter which is before the Committee until no later than midnight of the day on which the Committee votes on such measure or matter.

9. Subpoenas. Subpoenas for attendance of witnesses and for the production of memorandum, reports, and the like may be issued, after consultation with the Ranking Minority Member, by the Chairman or any other member designated by him, but only when authorized by a majority of the members of the Committee. The subpoena shall briefly state the matter to which the witness is expected to testify or the documents to be produced.

10. Hearings. (a) Public notice shall be given of the date, place, and subject matter of any hearing, and of any hearing scheduled pursuant to any hearing, Committee or any subcommittee thereof, at least 1 week in advance of such hearing, unless the Committee or subcommittee determines that good cause exists for beginning such hearings at an earlier time.
   (b) Hearings may be initiated only by the specified authorization of the Committee or subcommittee.
   (c) Hearings shall be held only in the District of Columbia unless specifically authorized to be held elsewhere by a majority vote of the Committee or subcommittee conducting such hearings.
   (d) The Chairman of the Committee or subcommittee shall consult with the Ranking Minority Member before naming witnesses for a hearing.
   (e) Witnesses appearing before the Committee shall file with the clerk of the Committee a written statement of their proposed testimony prior to the hearing at which they are to appear unless the Chairman and the Ranking Minority Member determine that there is good cause not to file such a statement. Witnesses testifying on behalf of the Administration shall deliver to the clerk a copy of each new revision of the Statement of witnesses and for the production of memoranda, reports, and the like to be used at such hearing to advise such witness of the need to supplement such testimony for the purpose of making minor grammatical corrections. Such witness may not, however, be required to alter the substance of their testimony. Any question involving such corrections shall be decided by the Chairman.

11. Nominations. Unless otherwise ordered by the Committee, nominations referred to the Committee shall be held for at least seven (7) days before being voted on by the Committee. Each member of the Committee shall be furnished a copy of all nominations referred to the Committee.

12. Real Property Transactions. Each member of the Committee, or subcommittee, shall consult with the Chairman, after consultation with the Ranking Minority Member, after reviewing a copy of the proposals of the Secretary of the Army, Navy, and Air Force, submitted pursuant to 10 U.S.C. 2662 and with a copy of the report of the Federal Emergency Management Agency, submitted pursuant to 50 U.S.C. App. 2285, regarding the proposed acquisition or disposition of property of an estimated price or rental of more than $50,000. Any member of the Committee objecting to or requesting information on a proposed acquisition or disposal shall communicate his objection or request to the Chairman of the Committee within thirty (30) days from the date of submission.

13. Legislative Calendar. (a) The clerk of the Committee shall keep a printed legislative calendar for the information of each Committee member showing the bills introduced and referred to the Committee and the status of such bills. Such calendar shall be revised from time to time to show pertinent changes in such bills, the current status thereof, and new bills introduced and referred to the Committee. A copy of each new revision shall be furnished to each member of the Committee.
   (b) Unless otherwise ordered, measures referred to the Committee shall be scheduled for hearings or debate at the earliest time convenient for members of the Committee.

14. Exemption: Except as otherwise specified herein, the Standing Rules of the Senate shall govern the actions of the Committee. Each subcommittee of the Committee is part of the Committee, and is therefore subject to the Committee's rules so far as applicable.

15. Powers and Duties of Subcommittees. Each subcommittee is authorized to meet, hold hearings, receive evidence, and report to the full Committee on any matters referred to it. Subcommittee chairmen, after consultation with Ranking Minority Members of the subcommittees, shall set dates for hearings and meetings of their respective subcommittees after consultation with the chairman and other subcommittee chairmen with a view to avoiding simultaneous scheduling of full Committee and subcommittee meetings or hearings whenever possible.
called by the Chairman of the Subcommittee, those members may file in the offices of the Committee their written request to the Chairman of the Subcommittee for a special meeting. Upon receipt of the filing of the request, the Clerk of the Committee shall notify the Chairman of the Subcommittee of the filing of the request. If, within 7 calendar days after the filing of the request, a majority of the members of the Subcommittee may file in the offices of the Committee their written notice that a special meeting of the Subcommittee will be held, specifying the date and hour of that special meeting. The Subcommittee 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 Subcommittee that such special meeting will be held and inform them of its date and hour. If the Chairman of the Subcommittee is not present at any regular or special meeting of the Subcommittee, the Ranking Member of the majority party on the Subcommittee who is present shall preside at that meeting.

(b) Voting.—No measure or matter shall be recommended from a Subcommittee to the Committee unless a majority of the Subcommittee and the Ranking Member of the majority party on the Subcommittee actually and presently vote in favor thereof. The vote of the Subcommittee to recommend a measure or matter to the Committee shall require the concurrence of a majority of the members of the Subcommittee and the Ranking Member of the majority party on the Subcommittee.

RULE 4.—WITNESSES

(a) Filing of statements.—Any witness appearing before the Committee or Subcommittee (including any representative of a Government agency) must file with the Committee or Subcommittee (24 hours preceding his or her appearance) 75 copies of his or her statement to the Committee or Subcommittee, and the statement must include a brief summary of the testimony. In the event that the witness fails to file his or her statement in accordance with this rule, the Chairman of the Committee or Subcommittee has the discretion to deny the witness the privilege of testifying before the Committee or Subcommittee until the witness has properly complied with the rule.

(b) Length of statements.—Written statements properly filed with the Committee or Subcommittee may be as lengthy as the witness desires and may contain such documents or other addenda as the witness feels necessary to present for her review to the Committee or Subcommittee. The brief summary included in the statement must be no more than 3 pages long. It shall be signed by the Chairman of the Committee or Subcommittee as to what portion of the documents presented
to the Committee or Subcommittee shall be published in the printed transcript of the hearings.

(c) Ten-minute duration.—Oral statements of witnesses may be based upon their filed statements but shall be limited to 10 minutes duration. This period may be limited or extended at the discretion of the Chairman present at the hearings.

(d) Subpoenas of witnesses.—Witnesses may be subpoenaed by the Chairman of the Committee or a Subcommittee with the agreement of the Ranking Member of the Committee or Subcommittee or by a majority vote of the Committee or Subcommittee.

(e) Counsel permitted.—Any witness subpoenaed by the Committee or a Subcommittee to a public or executive hearing may be accompanied by counsel of his or her own choosing who shall be permitted, while the witness is testifying, to advise him or her of his or her legal rights.

(f) Expenses of witnesses.—No witness shall be reimbursed for his or her appearance at a public or executive hearing before the Committee or Subcommittee unless such reimbursement is agreed to by the Chairman and Ranking Member of the Committee.

(g) Questions.—Questioning of a witness by members shall be limited to 5 minutes duration when 5 or more members are present but not more than 5 minutes duration when less than 5 members are present, except that if a member is unable to finish his or her questioning in this period, he or she may permit questions of the witness after all members have been given an opportunity to question the witness.

Additional opportunity to question a witness shall be limited to a duration of 5 minutes until all members have been given the opportunity of questioning the witness for a second time. This 5-minute period per member will continue until all members have exhausted their questions of the witness.

RULE 5.—VOTING

(a) Vote to report a measure or matter.—No measure or matter shall be reported from the Committee unless a majority of the Committee is actually present. The vote of the Committee to report a measure or matter shall require the concurrence of a majority of the members of the Committee who are present.

Any absent member may affirmatively request that his or her vote to report a measure or matter be cast. The proxy shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. Ballots shall be voted by the Chairman any time before the record vote on the measure or matter concerned is taken, any member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee, along with the record of the rollcall vote of the members present and voting, as an official record of the vote on the measure or matter.

(b) Vote on matters other than to report a measure or matter.—On Committee matters other than a vote to report a measure or matter, no record vote shall be taken unless a majority of the Committee are actually present. On any such other matter, a member of the Committee may request that his or her vote may be cast by proxy. The proxy shall be in writing and shall be sufficiently clear to identify the subject matter, and to inform the Committee as to how the member wishes his vote to be recorded thereon. By written notice to the Chairman anytime before the vote on such other matter is taken, the member may withdraw a proxy previously given. All proxies shall be kept in the files of the Committee, unless waived by a majority vote of the Committee.

RULE 6.—QUORUM

No executive session of the Committee or a Subcommittee shall be called to order unless a majority of the Committee or Subcommittee, as the case may be, are actually present. The Committee otherwise provides or is required by the Rules of the Senate, one member shall constitute a quorum for the receipt of evidence, the swearing in of witnesses, and the taking of testimony.

RULE 7.—STAFF PRESENT ON DAI S

Only members and the Clerk of the Committee shall be present on the dais during public or executive proceedings, except that any member may have one staff person accompanying him or her during such public or executive hearing on the dais. If a member desires a second staff person to accompany him or her on the dais he or she must make a request to the Chairman for that purpose.

RULE 8.—COINAGE LEGISLATION

At least 67 Senators must cosponsor any gold medal or commemorative coin bill or resolution before consideration by the Committee.

EXTRACTS FROM THE STANDING RULES OF THE SENATE

RULE XXV, STANDING COMMITTEES

1. The following standing committees shall be appointed at the commencement of each Congress, and shall continue and have the power to act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions:

   * * * * *

   (1) Committee on Banking, Housing, and Urban Affairs, to which shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

   1. Banks, banking, and financial institutions.
   2. Control of prices of commodities, rents, and services.
   3. Deposit insurance.
   4. Economic stabilization and defense production.
   5. Export and foreign trade promotion.
   6. Export controls.
   7. Federal monetary policy, including Federal Reserve System.
   8. Financial aid to commerce and industry.
   9. Issuance of currency notes.
   10. Money and credit, including currency and coinage.
   11. Nursing home construction.
   12. Public and private housing (including veterans’ housing).
   14. Urban development and urban mass transit.

   (d)(1) Committee on Banking, Housing, and Urban Affairs, to which shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to international economic policy as it affects United States monetary affairs, credit and financial transactions, and to add additional pages where necessary.

   STAFF PRESENT ON DAIS

   * * * * *

   AFFAIRS

   MEMORANDUM OF UNDERSTANDING

   (February 28, 2001)

   This memorials the understanding between Senators Gramm and Sarbanes regarding budget, staffing, organizational, and procedural matters affecting the Committee on Banking, Housing, and Urban Affairs during the 107th Congress while the Republicans and Democrats each have 50 members in the Senate, except that the points regarding budget/funding and the equal division of office space shall apply for the duration of the 107th Congress.

   I. FUNDING

   A. Staff funding will be divided in equal portions for Republicans and Democrats. The amount for Republican staff shall be the amount achieved for fiscal 1999 plus the incremental funding allocation available for the Democrats to the level equal to that which has been available for Republican staff.

   B. Staffing for non-designated staff (the Chief Clerk, the Deputy Chief Clerk, the Editor, and the front office staff) would continue to be provided equally from funds allocated to both Republicans and Democrats, as has been the customary practice for the committee.

   C. Additional funds for administrative expenses will be divided equally.

   II. OFFICE SPACE

   Office space will be divided in equal portions for staff for Republicans and Democrats, not counting the space allocated for non-designated staff and the hearing room and the anteroom to the hearing room.

   III. SUBCOMMITTEE ORGANIZATION

   Subcommittees will be organized with regard to jurisdiction, leadership, and membership, as agreed to by both Republicans and Democrats, in accordance with Committee rules (see attached).

IV. PROCEDURES

A. Witnesses at committee and subcommittee hearings

1. Every effort will be made to work cooperatively in the identification of witnesses for each hearing. Republicans and Democrats will be allowed to identify equal numbers of witnesses (not counting administration or government agency witnesses, or presidential nominees), both for full committee hearings or any subcommittee hearings, and the Chairman of the Committee or subcommittee holding the hearing will, accordingly, issue invitations to all witnesses in a timely fashion so as to meet the requirements of Senate rules to give public notice of hearings at least one week prior to the holding of the hearing.

2. In keeping with this understanding, the general intention will be to keep the number of witnesses invited to a level that can be comfortably accommodated in a single hearing, including equal division of witnesses at each hearing, recognizing that circumstances may sometimes arise where an additional day or days of hearings would be advisable.

B. Hearing topics

1. The specific topics of hearings, both for the Committee and for subcommittees, will
be developed by the respective Committee or Subcommittee Chairman in consultation with the appropriate Ranking Member.

2. The topic of two hearings per month (either a full committee or subcommittee level) may be designated by the Ranking Member of the Committee, in consultation with the Chairman of the Committee and relevant Majority and Minority Leaders, and such hearings will be held in a timely fashion so as to meet the needs for scheduling, adequate notice of the hearing, and identification of witnesses.

3. Point 2 will not apply to any matter that could be placed on the Executive Calendar of the Senate, such as nominations and treaties.

C. Agenda of committee business meetings

The agenda for business meetings of the Committee, or of any subcommittee, will be developed by the Chairman in consultation with the appropriate Ranking Member.

TRADE AGREEMENT COMPLIANCE

Mr. BAUCUS. Mr. President, yesterday, I led a group of 11 Senators in urging President Bush to ensure that there will be full funding for the Commerce Department’s International Trade Administration efforts to make sure that our Nation’s trade agreements are fully implemented and followed by our trading partners. In the days leading up to the President’s budget proposal, we were seriously concerned by reports that there would be deep cuts in this program. Although it appears that the fiscal 2002 budget does not include cuts, we continue to be concerned that anyone would even consider such a damaging move.

This Nation has had a serious problem over the past two decades with many of our most important trading partners who have not complied with commitments made in trade agreements. The Japanese record, for example, of compliance with trade agreements is poor. We have brought disputes against the European Union at the WTO and won those cases, yet the EU still does not comply with its obligations. China has presented major problems in implementing agreements on intellectual property rights protection and on market access, and China’s entry into the WTO will bring new and even more difficult challenges to our efforts to ensure compliance.

It is critical that our Government agencies have the resources they need to monitor compliance, and then to take whatever action is necessary to enforce the commitments made by other nations. Shortchanging these agencies means shortchanging the American farmer, rancher, worker, and business owner. Further, when our trading partners fail to comply with a trade agreement, it corrupts the negotiating process and leads to a loss of confidence in the entire trading system. We cannot allow that to happen.

Therefore, we 11 Senators are calling on the President to ensure that the Department of Commerce, USTR, and other agencies responsible for trade agreement compliance are fully funded to ensure that our trading partners follow the rules that they have agreed to follow.

I ask unanimous consent that the letter we sent to the President be printed in the RECORD.

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


President GEORGE W. BUSH,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: Over the past twenty years, the United States has negotiated hundreds of bilateral and multilateral trade agreements. Unfortunately, the record of compliance by many of our trading partners is woefully inadequate. In the case of Japan, for example, the American Chamber of Commerce in Japan has concluded that barely half of our major bilateral trade agreements were fully or mostly successful.

China’s imminent accession to the WTO gives us an unprecedented challenge in ensuring compliance with their new commitments to open and liberalize the Chinese market.

In order to rebuild the consensus on trade in this country, it is imperative that we demonstrate, to our citizens, that the agreements we have concluded produce results. Agreements without full compliance debase the entire trade negotiating process. Ensuring fairness must be a top priority for the United States.

Therefore, we are distressed by recent reports that the proposal for fiscal 2002 funding for the Commerce Department’s International Trade Administration will not provide sufficient resources for compliance activities. Congress provided significant new funding to USTR and the International Trade Administration to increase their compliance capabilities in fiscal 2001. It would be a serious mistake to reduce our government’s ability to ensure that trade agreements fulfill their goals and that our manufacturers, farmers and ranchers, service providers, and exporters benefit.

We urge you to ensure full budgetary support for these critically important compliance efforts.

Sincerely,
Max Baucus, Jeff Bingaman, Blanche L. Lincoln, Dick Durbin, Dianne Feinstein, Ted Kennedy, Byron L. Dorgan, Bob Graham, Max Cleland, Jack Reed, Patty Murray.

TRIBUTE TO DALE EARNHARDT

Mr. THOMPSON. Mr. President, it has been almost two weeks since American sports lost one of its greatest legends. On a Sunday, just like any other, millions of NASCAR fans watched the concluding laps of the Duels at Daytona on February 18, 2001. It was not a Sunday that even those who were not at the race track, or glued to their televisions, will never forget. This was the day that we lost the person who many say was the sport’s greatest competitor.

I am, of course, speaking of Dale Earnhardt, a man who was aptly described as both “NASCAR’s greatest driver” and “the Intimidator.” As fans, friends and family continue to mourn his death, he is also remembered by labels such as “devoted husband” and “loving father” whose fearlessness on the track was eclipsed only by the size of his heart.

Adults and children alike are searching for the reasons why their hero was taken from them. Dale Earnhardt brought these strangers together, week after week, as a family devoted to following his career and celebrating his many victories. He became part of our lives through interviews, features and the media. He was only months away from his 50th birthday. He will not get to see his son follow in his footsteps and become a champion. But fans know that his devotion to the sport was so great that he was doing what he loved until the last moment.

A week after this tragedy, before all of the tears had dried, NASCAR continued with the racing season, but Dale Earnhardt was far from forgotten. The respect for this man was so great that drivers and crewmen, men who raced against him for years, wore black, red and silver caps with Earnhardt’s number three on them to honor their fallen comrade.

No one was ready to let Dale Earnhardt go. A man who had such spirit for the race of life as well as for the competition on the track will not easily fade into the past. His spectacular career statistics will certainly not fade, and much of what he lived his 49 years will be an even greater remembrance. He was admired in life and he will continue to be admired now that he has left us. He will continue to be a role model for drivers and fans alike. Dale Earnhardt will always be with us in our hearts, ever someone takes the checkered flag.

TESTING FOR DEOXYVINALENOL IN BARLEY

Mr. CONRAD. Mr. President, I believe the Senator from Indiana, the chairman of the Agriculture Committee, is aware that barley growers and processors are concerned that the Department of Agriculture’s Grain Inspection, Packers and Stockyards Administration testing of deoxynivalenol, or DON, levels in malting barley. Is that correct?

Mr. LUGAR. The Senator from North Dakota is correct. Identifying the presence of DON in malting barley is important because the presence of DON reduces the price producers receive for their barley. Malting barley purchasers are affected because DON can affect the characteristics of the products they make with that barley.

Mr. CONRAD. Many malting barley growers believe that current GIPSA measurement standards are unacceptable. When the Congress authorized the Grain Standards Act last year, the Senator and I discussed these measurement standards. The Senate suggests that the Federal Grain Inspection Program Grain Standards division of GIPSA consider new technology that would allow for the more accurate measurement of DON in barley.

Mr. LUGAR. We also suggest that GIPSA consider ceasing the use of the
“Optional Procedure,” under which they measure to the tenth of one part per million, and use only the “Standard Procedure,” where measurements are rounded to the nearest whole number.

**MARCH IS EYE DONOR MONTH**

Mr. DURBIN. Mr. President, I rise today to bring to the attention of my colleagues in the Senate that March is National Eye Donor Month.

National recognition of Eye Donor Month dates back to the very early days of transplantation, when corneas were the only human transplants. Now, transplant issues and good medical procedures by which people may give, so that others can live better, fuller, healthier lives.

National Eye Donor Month honors the thousands of Americans who, over the past 55 years, have each left behind a priceless legacy, their eyes. Since the first transplant agency was founded in New York City in 1944, sight has been restored to over half a million individuals by means of cornea transplantation.

Eye Donor Month is also about increasing public awareness of the continuing need for donors. Many people are still unaware of how easy it is to become an eye donor. All a donor needs to do is sign a card and announce to his or her family the intent to leave behind this special gift.

I am confident that if more Americans realized the true extent of the need for transplants, many more would willingly donate their corneas, once they can no longer use them. More than 46,000 Americans will need cornea transplants this year. Thousands of researchers will need donor eye tissue to explore prevention and treatment of blinding diseases.

Our Nation’s eye banks, non-profit agencies operating under the umbrella of the Eye Bank Association of America, have done a heroic job of restoring sight to blind people. Today, cornea transplantation is the most common transplant procedure performed, with an extremely high success rate of nearly 90 percent.

This incredible success rate is due in part to a meticulous screening process that separates out corneas unsuitable for transplantation. These may be used for research purposes in surgical training and medical education. So, while each corneal is put to good use, such a selective screening process must be supported by a large number of donations.

Right now, there are simply not enough donors. We must change that. I want to encourage my colleagues to celebrate National Eye Donor Month by working closely with our Nation’s eye banks to educate the American public about how they can help others to see. Let us all aim to increase the number of potential donors. We must prepare for the transplant need that will arise from earthquakes, wildfires and floods. The city of Buffalo, which lies on a major earthquake fault, has joined Project Impact to help.

The 50th State is vulnerable to risks including hurricanes, floods, tsunamis, droughts, earthquakes and wildland fires. Urban areas like Houston, TX and Tulsa, OK, as well as rural communities, like Fremont County, WY, largely rural area of about 38,000 residents, and Virginia’s Central Shenandoah Valley Planning District, have joined.

Kenai Peninsula Borough and Soldotna, AK are educating their citizens about mitigation measures that will impact the entire community. FEMA helps communities carry out a detailed risk assessment and discover disaster resistant strategies. Communities turn these strategies into policy by revising local building and land use codes and passing bylaws to construct prevention measures that will impact the entire community.

Project Impact operates on three simple principles: preventive action must be decided at local levels, private sector participation is vital, and long-term efforts and investments in prevention measures are essential. Project Impact takes resources from a Federal agency and gives it to the communities, helping them to become stronger and self-reliant.

Since its inception, Project Impact partners have revamped their local emergency management plans, elevated flood prone properties, developed mobile demonstration models for hazard resistant construction techniques and upgraded storm water drainage systems. In addition, Project Impact communities are encouraged to exchange ideas with each other. As former FEMA director James Lee Witt stated, “...participants know that Project Impact empowers them to save lives, protect property, protect their economies, livelihoods and save their citizens from the heartache of disaster.”

Everything that I hear about Project Impact points to its successes. NASA, the U.S. Geological Survey, the U.S. Chamber of Commerce, the Humane Society have all become Project Impact signatories in the past few months. Although the President’s budget proposal states that Project Impact has not been effective, it is unclear how that conclusion was reached. We should not eliminate a program without reviewing its successes or failures. In order to evaluate Project Impact, I am requesting that the General Accounting Office review the program and measure its performance. It is only right that there be an audit of this program, which so many communities believe is an important government partnership, before eliminating its funding.

FEMA estimates that for every dollar spent on disaster mitigation, two dollars are saved in disaster response and recovery. I sincerely hope that the Project Impact communities will not be left without any Federal assistance for disaster mitigation. Roger Faris, a Seattle homeowner who thanked Project Impact for his home surviving Hurricanes Andrew and Mitch, offered a fitting thank you. He said, “This is one of these non-partisan success programs that should have been expanded, not shut off.”
OKLAHOMA SOONER WOMEN'S SOFTBALL 2000 NATIONAL CHAMPIONS

Mr. NICKLES. Mr. President, I rise today to congratulate the Oklahoma Sooners softball team, which on September 3, defeated UCLA by a score of 3-1 to win the first women's national championship at the University of Oklahoma.

The championship game was played at Amateur Softball Association Hall of Fame Stadium in Oklahoma City, where the Sooners softball team closed out the year with a 66-0 record; 8 of these victories were consecutive wins during the NCAA Tournament.

The Sooner women were led to this championship by Patty Gasso, who was recognized as Coach of the Year, along with Mrs. Williams for her dedication as an assistant coach. Jennifer Jamie, all of whom were recognized as the 2000 Speedline/NFCA Division 1 National Coaching Staff of the Year. Gasso, just whom were recognized as Coach of the Year, along with Mrs. Williams for her dedication as an assistant coach.

From the entire State, we want to congratulate the University of Oklahoma women's softball team and their first-class coaching staff on this outstanding achievement.

IN RECOGNITION OF BERNICE WILLIAMS

Mr. TORRICELLI. Mr. President, I rise today to recognize Mrs. Bernice Williams as she retires after a distinguished 45 year career in the Immigration and Naturalization Service. Throughout this time, she has been of great service to both her nation and her community.

Mrs. Williams' accomplishments made a great deal of difference at the hook. Since her retirement, she has had the distinction of becoming the first African American female officer for the Northern New Jersey office of the Department of Immigration. Since then, she has taken on many important roles in the INS such as serving as manager for EEO and Affirmative Action Programs and Projects as well as the Senior Immigration Examiner on sensitive political asylum cases.

Whether dealing with a timely asylum or helping those in need in her community, Mrs. Williams has been selfless in everything she approaches. She is a member of the A. Philip Randolph Association and works through the NAACP to provide food and clothing to the less fortunate. She has also worked as a tutor for local children, helping to ensure a brighter future for our students. In these and countless other ways, she has given graciously of herself. In every aspect of her life, Mrs. Williams has exemplified the meaning of good citizenship.

The INS and the community of Newark have truly benefited to have an individual as dedicated, talented and generous as Bernice Williams. It is a privilege to recognize her many accomplishments today.

TRIBUTE TO JOHN CRADDOCK

Mr. LUGAR. Mr. President, I rise today to recognize the efforts of a dedicated public servant, Mr. John Craddock of Muncie, IN.

As the Director of the Bureau of Water Quality for the City of Muncie for almost 30 years, Mr. Craddock has made a meaningful contribution to improving the quality of life for the people in Indiana and the Nation through his work to improve water quality for our communities.

Mr. Craddock created the Bureau of Water Quality in 1972 and has served as its only Director since its inception. He has transformed the river in Muncie from a polluted waterway to a healthy and beautiful centerpiece of the city.

Mr. Craddock's influence has reached well beyond the city of Muncie. He has been internationally recognized as an authority on environmental management of our rivers and streams. He has been asked by the Indiana Department of Environmental Management, the Indiana State Board of Health, and the Environmental Protection Agency to help develop industrial waste limits in state and federal laws and help set Indiana stream water quality standards.

During the past 10 years, Mr. Craddock has made approximately 575 presentations around the world, reaching more than 51,000 individuals who can make a difference in the effort to ensure a fresh water supply. He has been an active participant in United Nations conferences all over the world. His techniques and procedures in controlling industrial waste and sewage overflow have helped influence the methods now being used in Japan, England, Canada, Europe, South America, and many Third World countries where he has shared his knowledge and experience.

Mr. Craddock has dedicated his life to the preservation of our world's precious water resources. In addition to his service to the Muncie community, Mr. Craddock has been an outstanding representative for Muncie, the State of Indiana and the United States during his many world travels. Mr. Craddock also served in his country in active duty in the U.S. Coast Guard for 4 years. Mr. Craddock is a remarkable public servant who has done so much to help strengthen our cities and communities.

On this very special occasion of Mr. Craddock's retirement, I want to take this opportunity to acknowledge his many achievements and to thank him for his commitment to our State and to our Nation.

A TRIBUTE TO STEVEN A. HOOK

Mr. CHAFEE. Mr. President, I am humbled today to honor the 1-year anniversary of the passing of Steven A. Hook of North Providence, RI.

During his 44 years, Steven proved that having a disability does not displace one from leading an active life. At the age of 14, Steve broke the fifth vertebra in his neck in a car accident, which left him partially paralyzed. Determined to walk again, Steven endured months of extensive therapy sessions, constantly pushing himself to new limits. During this battle, Steven found an inner-strength, a strength that would fight to empower people with disabilities.

Steven's desire to help those with disabilities led him to the PARI (People Actively Reaching Independence) Living Center in Pawtucket, RI. He began his career there in 1980 as a volunteer peer counselor and then program director. He was named executive director in 1997.

Steven was a crusader in implementing the landmark Americans with Disabilities Act and the Disability Rights Education and Defense Fund under a grant provided by the Equal Employment Opportunity Commission and the U.S. Department of Justice. He also trained and was certified as a Rhode Island State mediator on Titles I, II, and III of the ADA. Steven was a member of countless other state and local boards, making strong contributions to Rhode Island and its residents.

Today my heart is with Steven's family and friends, mourning the loss of a great citizen of Rhode Island and our Nation. Steven's dedicated service on behalf of those living with disabilities should serve as inspiration for us all to give back to our communities. His life story should serve as a reminder that when we face challenges, there is a will, there will always be a way.

HONORING DR. JOHN C. CHAPMAN

Mr. FRIST. Mr President, I rise today to recognize the remarkable accomplishments of Dr. John E. Chapman, who is today retiring as Dean of the Vanderbilt University School of Medicine. Dr. Chapman is not only one of the longest-serving deans in medical school history, but a man who has made a major contribution to medical education in America and around the world.

I had the great honor of serving with Dean Chapman from 1986 to 1994 when I was a member of the Vanderbilt Medical School faculty. Even then, his reputation around campus was legendary—for his compassion for young people, for his scholarship of medicine and history, and for his concern for the future of medical school education—a concern overwhelmingly apparent from even the most cursory glance around his office.
In addition to a bust of Winston Churchill, whom he met in 1946 when a national debate competition coincided with the Prime Minister’s famous “Iron Curtain” speech, it housed a virtual museum of medical history. But perhaps the greatest evidence of his dedication to advancing the state of American medical education was a small album filled with the photographs of multi-generations of family members—grandfathers, sons and grandsons whose degrees were all conferred by Dr. Chapman.

In all, 3,317 men and women have received a medical degree from the man lovingly known as “the patron saint of medical students.” And Dr. Chapman and his wife, Judy, made time for each of them, hosting parties for them at their home, and attending all their many functions to cheerlead their cause. Indeed, I’m convinced, Mr. President, that Vanderbilt’s continuous Number One medical school rating based on student satisfaction would not have been achieved without Dr. Chapman.

But Dr. Chapman’s influence was not confined to Tennessee. In addition to his leadership as the only three-term member of the American Medical Association’s Council on Medical Education, he chaired the U.S. Medical Licensure Examination Committee—that oversees the examination of all physicians seeking to practice in the United States. He was one of only a handful of physicians to sit on the governing councils of both the AMA and the Association of American Medical Colleges. In 1994, he lent his expertise to the Senate in testimony before this body on the state of medical school funding in America.

Yet, not content to confine his efforts to one country, he reached out even farther, spearheading a medical student exchange program between Vanderbilt and the prestigious Karolinska Institute in Sweden. Other U.S. medical schools, following his lead, soon joined this remarkable program, creating the Karolinska Institute to hail his efforts as a “conspicuous contribution to medical education worldwide.”

John Chapman has come a long way from the boy from the Missouri Ozarks, who became the man who shook the hand of Winston Churchill in 1946, to the person who shared with the prestigious Nobel Prize ceremonies in Stockholm, Sweden, received an honorary M.D. from the Karolinska Institute, to the medical historian and scholar who represented the AMA in hearings before the Senate. But despite his many awards and accolades and international recognition, his most remarkable accomplishment remains his commitment to students. While the average tenure for a medical school dean is five years, Dr. Chapman served his students five times that. Yet while he leaves the office of Dean tomorrow after 25 years, he will not leave Vanderbilt, but continue his commitment to students as Associate Vice Chancellor of Alumni Affairs.

For more than one quarter of a century, Dr. John Chapman has been a bulwark of strength in the often turbulent sea of medicine and medical education. Not only has medical education been his life work for so long and at such a high level that the magnitude of his contributions to the entire field of medicine is both enormous and historic. They are accomplishments that make John Chapman an outstanding clinician, scholar, and teacher but a great American. On behalf of all the people of Tennessee and physicians everywhere, I congratulate him and wish him well.

TRIBUTE TO SPECIAL AGENT DAVID J. KARPOWICH

Mr. ALLEN. Mr. President, I rise today to honor a lifetime commitment to law and order in the United States. On this day, March 1, 2001, Mr. David J. Karpowich of Springfield, V.A., retires as a special agent with the U.S. Naval Criminal Investigative Service, having some 30 years of Federal law enforcement service.

Mr. Karpowich began his service to his country in July 1971, as a member of the U.S. Army’s Military Police Corps. Following a brief stint as an uniformed officer with the U.S. Capitol Police Force, Mr. Karpowich was appointed a special agent with the Naval Investigative Service, now known as the Naval Criminal Investigative Service, on July 14, 1975, and embarked on a career that would span more than 25 years. His history of assignments includes South Carolina, California, and in Washington, DC, as a field investigator, polygraph examiner, counterintelligence manager, and inspector.

Among his many achievements with the Naval Criminal Investigative Service, Special Agent Karpowich will long be remembered for his contribution to its Polygraph Program. Under his responsible leadership, the NCIS Polygraph Program was considered among the finest within the Department of Defense, and he is credited with modernizing the program with new personnel, equipment and techniques.

More recently, Special Agent Karpowich shared the wisdom of his experience with the On-Site Inspection Agency, (OSIA), as the senior NCIS representative to its Counterintelligence Staff and lastly as the Senior Inspector with the NCIS Headquarters Inspection Division.

In closing, I wish to commend David Karpowich for his commitment to law enforcement and for his many years of outstanding service to our nation and, in particular, to the men and women of our armed services. I wish him and his wife, Connie, Godspeed in his retirement.

REPORT ON THE STATUS OF FEDERAL CRITICAL INFRASTRUCTURE PROTECTION ACTIVITIES—MESSAGE FROM THE PRESIDENT—PM 9

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred jointly to the Committees on Appropriations; and Judiciary.

To the Congress of the United States:

Pursuant to section 1053 of the Defense Authorization Act of 2001 (Public Law 106-398), enclosed is a comprehensive report detailing the specific steps taken by the Federal Government to develop critical infrastructure assurance strategies and outlined by Presidential Decision Directive No. 63 (PDD-63)...

This report was drafted by the previous Administration and is a summary of their efforts as of January 15. However, since this requirement conveys to my Administration, I am forwarding the report.

Critical infrastructure protection is an area of great importance to U.S. economic and national security, and it will be a priority in my Administration. We intend to examine the attached report and other relevant materials in our review of the Federal Government’s critical infrastructure protection efforts.

GEORGE W. BUSH


MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 12:08 p.m., a message from the House of Representatives, delivered by Mr. Noland, one of its reading clerks, announced that the Speaker has signed the following enrolled bills.

H.R. 559. An Act to designate the United States courthouse located at 1 Courthouse Way in Boston, Massachusetts, as the “John Joseph Moakley United States Courthouse.”

H.R. 256. An Act to extend for 11 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.


H.R. 621. An Act to designate the Federal building located at 6230 Van Nuys Boulevard...
in Van Nuys, California, as the "James C. Corman Federal Building.

H.J. Res. 19. Joint resolution providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 27. Concurrent resolution honoring the National Institute of Standards and Technology and its employees for 100 years of service to the Nation.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:


H.R. 621. An act to designate the Federal building located at 6230 Van Nuys Boulevard in Van Nuys, California, as the "James C. Corman Federal Building;" to the Committee on Environment and Public Works.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, March 1, 2001, he had presented to the President of the United States the following enrolled bill:

S. 279. An act affecting the representation of the majority and minority membership of the Senate Members of the Joint Economic Committee.

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-851. A communication from the Deputy General Counsel of the Federal Bureau of Investigation, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "National Instant Criminal Background Check System Regulations; Delay of Effective Date" (RIN1100-AA02) received on February 28, 2001; to the Committee on the Judiciary.

EC-852. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report concerning purchases from foreign entities for Fiscal Year 2000; to the Committee on Armed Services.

EC-853. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Pentamethrin; Registration, Establishment of Tolerances for Emergency Exemptions" (FRL6766-5) received on February 23, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC-854. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "North Dakota Regulatory Program" (ND-041-FOR) received on February 28, 2001; to the Committee on Energy and Natural Resources.

EC-855. A communication from the Acting Director of the Defense Security Cooperation Agency, Department of Defense, transmitting, pursuant to law, a report concerning anti-narcotics assistance totaling $20,000,000; to the Committee on Foreign Relations.

EC-856. A communication from the Acting Director of the Defense Security Cooperation Agency, Department of Defense, transmitting, pursuant to law, a report relating to the anti-narcotics assistance to Mexico; to the Committee on Foreign Relations.

EC-857. A communication from the Acting Director of the Defense Security Cooperation Agency, Department of Defense, transmitting, pursuant to law, a report concerning the anti-narcotics assistance totaling $60,300,000; to the Committee on Foreign Relations.

EC-858. A communication from the Acting Director of the Defense Security Cooperation Agency, Department of Defense, transmitting, pursuant to law, a report concerning the Economic Community of West African States' Peacekeeping Force relating to Liberia; to the Committee on Foreign Relations.

EC-859. A communication from the Acting Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report concerning the Foreign Agents Registration Act, as amended, from January through June of 2000; to the Committee on Foreign Relations.


EC-861. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-587, "Nurse's Rehabilitation Act Amendment Act of 2000"; to the Committee on Governmental Affairs.

EC-862. A communication from the Executive Director for Operations of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report concerning the commercial activities inventory for the year 2000; to the Committee on Governmental Affairs.

EC-863. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-598, "Interim Disability Assistance Amendment Act of 2000"; to the Committee on Governmental Affairs.

EC-864. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-599, "Nurse's Disability Assistance Amendment Act of 2000"; to the Committee on Governmental Affairs.

EC-865. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 13-600, "SafeColority Zone Regulations; Golf Course Activities," transmitting, pursuant to law, a report concerning "Fireworks Displays" (RIN2115-AA97) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-866. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report concerning "Drawbridge Regulations; Siesta Key Bridge (SR 75), Sarasota, FL" (RIN2115- AE47) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-867. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report concerning "Drawbridge Regulations; Arroyo Colorado, TX" (RIN2115-AE47) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-868. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report entitled "Drawbridge Regulations; Fort Point Channel (SR 72), San Francisco, CA" (RIN2115-AE47) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-869. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report entitled "Drawbridge Regulations; Allen-Medina Drawbridge, MZ" (RIN2115-AE47) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-869. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report entitled "Drawbridge Regulations; Stickney Point Bridge (SR 72), Sarasota, FL" (RIN2115-AE47) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-870. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report entitled "Drawbridge Regulations; Kennebec River, ME" (RIN2115-AE47) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-871. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report entitled "Modified Vehicles To Accommodate a Person's Disability" (RIN2115-AE47) received on February 27, 2001; to the Committee on Commerce, Science, and Transportation.

EC-872. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report entitled "Modification of Rules Concerning the Use of Equipment for Ambulances in Connection with Licensing and Related Serv-
Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Final Rule Realigning the Boundary of the Walla Walla Valley AVA” (RIN 1512-AK97) received on February 27, 2001; to the Committee on Finance. 

EC-877. A communication from the Deputy Executive Secretary, to the Department of Health and Human Services, the Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled “State Child Health; Implementing the State of Oregon’s State Children’s Health Insurance Program; Delay of Effective Date” (RIN 0083-A128) received on February 23, 2001; to the Committee on Finance. 

EC-879. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Applicable Federal Rates for March 2001” (Rev. Rul. 2001-12) received on February 21, 2001; to the Committee on Finance. 

EC-879. A communication from the Deputy Executive Secretary, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled “Medicaid Program: Medicaid Managed Care: Delay of Effective Date” (RIN 0083-A170) received on February 23, 2001; to the Committee on Finance. 

EC-880. A communication from the Acting Chief of the Regulations Division, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Delegation of Authority in Part 170” (RIN 1512-AC20) received on February 28, 2001; to the Committee on Finance. 

EC-882. A communication from the Acting Chief of the Regulations Division, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “Delegation of Authority” (RIN 1512-AC21) received on February 28, 2001; to the Committee on Finance. 

EC-883. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Fiscal Year Clean Water Act Section 306 Grant Guidance”; to the Committee on Environment and Public Works. 

EC-884. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Applicability of RCRA to Draindown and Seepage from Gold Heap Leaches”; to the Committee on Environment and Public Works. 


EC-886. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Release of Appraisals for Real Property Acquisitions at Superfund Sites”; to the Committee on Environment and Public Works. 


EC-888. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Additional GPRA Measures”; to the Committee on Environment and Public Works. 

EC-889. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Enhancing State and Tribal Role Directive”; to the Committee on Environment and Public Works. 

EC-890. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Financial Structure of Cooperative Agreement Funds Under the Brownsfields Cleanup Revolving Loan Fund (BCLRF) Program”; to the Committee on Environment and Public Works. 

EC-891. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Use of Latest Planning Assumptions in Conformity Determinations”; to the Committee on Environment and Public Works. 

EC-892. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Guidance on Distributing the ‘Notice of SEC Registrants’ Duty to Disclose Environmental Legal Proceedings’ in EPA Administrative Enforcement Actions”; to the Committee on Environment and Public Works. 

EC-894. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a report entitled “Support of Regional Efforts to Negotiate Prospective Purchaser Agreements and Enhancement of Certain Prospective Purchaser Agreements’ Guidance’”; to the Committee on Environment and Public Works. 

EC-895. A communication from the Acting Chief of the Regulations Division, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled “New Stationary Sources; Supplemental Delegation of Authority to Knox County, Tennessee” (FRL6941-7) received on February 27, 2001; to the Committee on Finance. 

EC-896. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “National Emission Standards For Hazardous Air Pollutant Emissions: Group IV Polymers and Resins” (FRL6948) received on February 28, 2001; to the Committee on Environment and Public Works. 

EC-897. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “List of Approved Spent Fuel Storage Casks: Fuel Solutions Revision” (RIN 3510-AG72) received on February 28, 2001; to the Committee on Environment and Public Works. 

REPORTS OF COMMITTEES

The following reports of committees were submitted:

From the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 420. An original bill to amend title II, United States Code, and for other purposes; to the Committee on Environment and Public Works. 

From the Committee on Judiciary, without amendment:

S. 420. An original bill to amend title II, United States Code, and for other purposes; to the Committee on the Judiciary; placed on the calendar. 

From the Committee on Finance.

S. 420: An original bill to amend title II, United States Code, and for other purposes; to the Committee on Finance.

From the Committee on Banking, Housing, and Urban Affairs.

S. Res. 40: An original resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs.

The following petitions and memorials were laid before the Senate and referred or ordered to lie on the table as indicated:

POM-1. A resolution adopted by the Ascension Parish Council relative to the Louisiana ammonia industry; to the Committee on Energy and Natural Resources.

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. GRASSLEY (for himself, Mr. CLELAND, Mr. COCHRAN, Mr. WELLSTONE, Mr. DEWINE, Mr. BAUCUS, Mr. McCONNELL, Mr. JOHNSON, Mr. BUNNING, and Mr. SNOWE):

S. 420. An original bill to amend title II, United States Code, and for other purposes; to the Committee on Environment and Public Works. 

By Mr. GRASSLEY (for himself, Mr. CLELAND, Mr. COCHRAN, Mr. WELLSTONE, Mr. DEWINE, Mr. BAUCUS, Mr. McCONNELL, Mr. JOHNSON, Mr. BUNNING, and Mr. SNOWE):

S. 241. A bill to provide for the establishment of the National Forest Clatsop National Memorial in the State of Oregon, and for other purposes; to the Committee on Environment and Public Works.

By Mr. WYDEN (for himself, Mr. SMITH of Oregon, and Mrs. MURRAY):

S. 423. A bill to amend the Act entitled "An Act to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes"; to the Committee on Environment and Public Works.

By Mrs. FEINSTEIN:

S. 424. A bill to provide for incentives to encourage private sector efforts to reduce earthquake losses under the national disaster mitigation program, and for other purposes; to the Committee on Finance.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 425. A bill to establish the Rocky Flats National Wildlife Refuge in the State of Colorado, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. CLINTON (for herself, Mr. BAUCUS, Mr. CORZINE, Mr. DAYTON, and Mr. LEVIN):

S. 426. A bill to provide for the establishment of the Rocky Flats National Wildlife Refuge in the State of Colorado, and for other purposes; to the Committee on Environment and Public Works.

By Mr. WYDEN (for himself, Mr. SMITH of Oregon, and Mrs. MURRAY):

S. 427. A bill to amend the Act entitled "An Act to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes"; to the Committee on Environment and Public Works.

By Mrs. FEINSTEIN:

S. 428. A bill to provide for incentives to encourage private sector efforts to reduce earthquake losses under the national disaster mitigation program, and for other purposes; to the Committee on Finance.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 429. A bill to provide for the establishment of the Rocky Flats National Wildlife Refuge in the State of Colorado, and for other purposes; to the Committee on Environment and Public Works.

By Mrs. CLINTON (for herself, Mr. BAUCUS, Mr. CORZINE, Mr. DAYTON, and Mr. LEVIN):
S. 429. A bill to amend the Internal Revenue Code of 1986 to provide an income tax credit to holders of bonds financing new communications technologies, and for other purposes; to the Committee on Finance.

By Mr. DASHLE (for himself, Ms. SNOWE, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. LIEBERMAN, Ms. MUKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 19. A bill to amend chapter 44 of title 18, United States Code, to increase the maximum term of imprisonment for offenses involving the carrying of concealed firearms and to allow States to enter into compacts to recognize other States' concealed weapons permits; to the Committee on the Judiciary.

By Mr. CAMPBELL (for himself and Mr. HATCH):

S. 440. A bill to establish a matching grant program to help States enter into compacts to recognize other States' concealed weapons permits; to the Committee on the Judiciary.

S. 441. A bill to provide Capitol-flown flags to the families of law enforcement officers and firefighters killed in the line of duty; to the Committee on Rules and Administration.

By Mr. CAMPBELL (for himself and Mr. HATCH):

S. 442. A bill to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed firearms and to allow States to enter into compacts to recognize other States' concealed weapons permits; to the Committee on the Judiciary.

By Mr. WELSTONE (for himself, Mr. MCCONNELL, Mr. FEINGOLD, Mr. INOUYE, Mr. LEVIN, Mr. DAYTON, Mr. LUGAR, and Mr. STEVENS):

S. 443. A bill to provide for business incubator activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SMITH of New Hampshire:

S. 433. A bill to amend the Internal Revenue Code of 1986 to remove the limitation that certain survivor benefits can only be excluded with respect to individuals dying after December 31, 1996; to the Committee on Finance.

By Mr. DASCHLE (for himself, Mr. JOHNSON, and Mr. HARGOEL):

S. 444. A bill to amend title II of the Elementary and Secondary Education Act of 1965 to support teacher corps programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WELSTONE:

S. 445. A bill to provide for local family information centers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CRAPO (for himself and Mr. CRAIG):

S. 446. A bill to preserve the authority of States over water within their boundaries, to delegate to States the authority of Congress to regulate water, and for other purposes; to the Committee on the Judiciary.

By Mr. DICK (for himself, Mr. CRAIG, and Mr. HELMS):

S. 447. A bill to subject the United States to imposition of fees and costs in proceedings relating to adjudication by the Committee on Energy and Natural Resources.

By Mr. DOMENICI (for himself and Mr. HATCH):

S. 448. A bill to provide for business incubator activities, and for other purposes; to the Committee on Foreign Relations.

By Mr. KOHL (for himself, Mr. CHAFEE, Mrs. BOXER, Mr. DURBIN, Mr. SCHUMER, Mr. RYERSON, Mr. KERRY, and Mr. CORZINE):

S. 451. A bill to establish civil and criminal penalties to support the Radiation Exposure Compensation Act (42 U.S.C. 2210 note) to the Committee on Appropriations.

By Mr. DOMENICI (for himself and Mr. HATCH):

S. 449. A bill to ensure the timely payment of benefits to eligible persons under the Radiation Exposure Compensation Act (42 U.S.C. 2210); to the Committee on Appropriations.

By Mr. NELSON of Florida:

S. 452. A bill to provide for annual renewable energy incentives to promote new communications technologies, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. NELSON of Florida:

S. 453. A bill to establish a Senate Resolution for congressional disapproval of the rule submitted by the Department of Labor under chapter 8 of title 5, United States Code, relating to ergonomics; to the Committee on Health, Education, Labor, and Pensions.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GRAMM:

S. Res. 40. An original resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs; from the Committee on Banking, Housing, and Urban Affairs; to the Committee on Rules and Administration.

By Mr. SHELBY (for himself and Mr. SESSIONS):

S. Res. 41. A resolution designating April 4, 2001, as “National Murder Awareness Day”; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 11

At the request of Mrs. HUTCHISON, the name of the Senator from Arkansas (Mr. HUTCHISON) was added as a co-sponsor 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. 16

At the request of Mr. DASCHEL, the names of the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of S. 16, a bill to improve law enforcement, crime prevention, and victim assistance in the 21st century.

S. 19

At the request of Mr. DASCHEL, the names of the Senator from Georgia (Mr. CLELAND) and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of S. 19, a bill to...
At the request of Mr. Bond, the name of the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor 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.

At the request of Mr. Inouye, the names of the Senator from Louisiana (Mr. Breaux) and the Senator from Louisiana (Ms. Landrieu) were added as cosponsors of S. 70, a bill to amend the Public Health Service Act to provide for the establishment of a National Center for Social Work Research.

At the request of Mr. Daschle, the name of the Senator from New Hampshire (Mr. Gregg) was added as a cosponsor 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.

At the request of Mr. Rockefeller, the name of the Senator from New Hampshire (Mr. Gregg) was added as a cosponsor of S. 39, a bill to amend the Internal Revenue Code of 1986 to provide an incentive to ensure that all Americans gain timely and equitable access to the Internet over current and future generations of broadband capability.

At the request of Mrs. Feinstein, the name of the Senator from New Hampshire (Mr. Gregg) was added as a cosponsor of S. 123, a bill to amend the Higher Education Act of 1965 to extend loan forgiveness for certain loans to Head Start teachers.

At the request of Mr. Cleland, the name of the Senator from Minnesota (Mr. Dayton) was added as a cosponsor 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.

At the request of Mr. Grassley, the name of the Senator from South Dakota (Mr. Johnson) was added as a cosponsor of S. 152, a bill to amend the Internal Revenue Code of 1986 to eliminate the 60-month limit and increase the income limitation on the student loan interest deduction.

At the request of Mrs. Hutchinson, the name of the Senator from Arkansas (Mr. Hutchinson) was added as a cosponsor of S. 234, a bill to amend the Internal Revenue Code of 1986 to waive the income inclusion on a distribution from an individual retirement account to the extent that the distribution is contributed for charitable purposes.

At the request of Mr. Grassley, the name of the Senator from Alabama (Mr. Sessions) was added as a cosponsor of S. 234, a bill to amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communications services.

At the request of Ms. Snowe, the name of the Senator from Oklahoma (Mr. Inhofe) was added as a cosponsor of S. 234, a bill to amend the Public Health Service Act to provide, with respect to research on breast cancer, for the increased involvement of advocates in decisionmaking at the National Cancer Institute.

At the request of Mr. Johnson, the name of the Senator from Florida (Mr. Nelson) was added as a cosponsor of S. 280, a bill to amend the Agriculture Marketing Act of 1946 to require retailers of beef, lamb, pork, and perishable agricultural commodities to inform consumers, at the final point of sale to consumers, of the country of origin of the commodities.

At the request of Mr. Kerry, the name of the Senator from Georgia (Mr. Cleland) was added as a cosponsor 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.

At the request of Ms. Collins, the name of the Senator from Vermont (Mr. Leahy) was added as a cosponsor of S. 326, a bill to amend title XVII of the Social Security Act to eliminate the 15 percent reduction in payment rates under the prospective payment system for home health services and to permanently increase payments for such services that are furnished in rural areas.

At the request of Mr. Cleland, the name of the Senator from Wisconsin (Mr. Kohl) was added as a cosponsor of S. 340, a bill to recruit and retain more qualified individuals to teach in Tribal Colleges or Universities.

At the request of Mr. Bingaman, the names of the Senator from Maryland (Mr. Sarbanes) and the Senator from Michigan (Ms. Stabenow) were added as cosponsors of S. 352, a bill to increase the authorization of appropriations for low-income energy assistance, weatherization, and state energy conservation grant programs, to expand the use of energy savings performance contracts, and for other purposes.

At the request of Mr. Murkowski, the name of the Senator from California (Mrs. Feinstein) was added as a cosponsor of S. 361, a bill to establish age limitations for airmen.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. Grassley (for himself, Mr. Cleland, Mr. Cochran, Mr. Wellstone, Mr. DeWine, Mr. Baucus, Mr. McConnell, Mr. Johnson, Mr. Bunning, and Ms. Snowe):

A bill to give gifted and talented students the opportunity to develop their capabilities; to the Committee on Health, Education, Labor, and Pensions.

Mr. Grassley, Mr. President, today I am reintroducing, with nine of our colleagues, the Gifted and Talented Students Education Act. It is vital
that we recognize the nearly three million students in the United States who are talented and gifted and provide them with a challenging education.

Our nation depends on students who will become the next generation of leaders in business, economics, the sciences, medicine, and education. Our lives will be enriched by the next generation of performing and fine artists. However, many of our gifted and talented students are not being challenged to their fullest ability at school, and, as a result, are not performing at world-class levels. Worse, many of our top students lose interest in school and abandon their education altogether. If these gifted students are not adequately challenged, they will direct their energy and gifts toward destructive and wasteful activities and become a burden to society, instead of the most productive contributors.

The Gifted and Talented Students Education Act will help to ensure that gifted and talented students have the opportunity to achieve their highest potential by providing block grants, based on a state’s student population, to state education agencies. These grants would help identify and provide educational services to gifted and talented students from all economic, ethnic, and racial backgrounds, including students with limited English proficiency and students with disabilities. The funds would go to educational areas but leave decisions on how best to serve these students to states and local school districts. The legislation ensures that the federal money benefits students by requiring the state education agency to distribute not less than 88 percent of the funds to schools and that the funds must supplement, not supplant, funds currently being spent. Additionally, rather than simply accepting federal funds for a new program, states must make their own commitments to these students by matching 20 percent of the federal funds. The matching requirements will help ensure that programs and services for gifted education develop a strong foothold in the state.

Currently, the only support talented and gifted students receive from the federal government is through the successful research-based Javits Gifted and Talented Students Education Program. One well-known effort is Project CUE, an effort that includes the College of New Rochelle and School District 9 in the South Bronx, which serves approximately 32,000 mostly poor and minority students. The program was designed to institute high-level challenging curricula for elementary school students, and to identify and nurture those students whose interests and talents could be developed in mathematics and science. Evaluation of the project indicated a significant improvement in the overall academic achievement of the students identified as potentially gifted, as well as increases in school attendance rates. Furthermore, the project resulted in a twenty percent improvement school-wide in science and math achievement, as measured in both local and statewide standardized tests. Just imagine how ALL talented and gifted students could benefit from consistent funding and support for education programs like the one in the South Bronx.

Mr. President, our nation’s gifted and talented students are among our greatest untapped resources. We must help states and local school districts provide quality education for these students so their particular gifts can flourish and be fully realized. It is my sincere hope that you and the rest of our colleagues will make this commitment to talented and gifted students this year.

By Mr. WELLSTONE (for himself, Mr. DAYTON, Mr. LEVIN, Mr. STABENOW):

S. 422. A bill to provide that, for purposes of certain trade remedies, imported semifinished steel slab shall be treated as like or directly competitive with taconite pellets; to the Committee on Finance.

Mr. WELLSTONE. Mr. President, I send a bill to the desk. This is a bill Senator DAYTON and I are introducing today, and we are joined by Senators Levin and Stabenow.

This legislation is a huge priority for Senator DAYTON, and it is a huge priority for me. This is not abstract legislation. This is all about people whom we love and in whom we believe. This is about taconite. This is northeast Minnesota, the Iron Rangers. This is about our State.

Senator DAYTON and I are going to divide our time equally. I will follow Senator DAYTON.

Sometimes when we introduce legislation, it stays on the calendar, and other times we introduce legislation because we are determined in every way possible to look for ways to pass it, to work with the Department of Labor and other agencies on trade adjustment assistance.

We are going to devote all of our efforts jointly to pass legislation and get some relief, some assistance for people who are going through such difficult times. I think our colleagues will support us in this effort. I yield the floor to Senator Dayton.

The PRESIDING OFFICER. The Senator from Minnesota, Mr. Dayton.

Mr. DAYTON. Mr. President. I am proud to rise today to join with my very distinguished colleague and long-time friend, the senior Senator from Minnesota, Mr. WELLSTONE, to introduce with him the Taconite Workers Relief Act.

That this legislation is even needed is a great American tragedy because this hard and dangerous work of iron ore mining and taconite production has bred a very special type of person. In Minnesota, we call them Iron Rangers. They are the generation whose ancestors had hard-working, community-building, and patriotic Americans.

The bitter irony in the title of this legislation is that these men and women do not want relief; they want work. Unfortunately, over the last 20 years, the trade policies of successive administrations have thrown thousands of them out of work, and they threaten to extinguish the iron ore mining and taconite-producing industries in Minnesota entirely, as well as the basic steel-making industry throughout this country.

Twenty years ago, this industry employed over 15,000 Minnesotans. Today, it is less than 5,000. Over 2,000 workers have been laid off in the last 2 years, and 1,400 of them come from one company, LTV, which has announced it is closing permanently.

It is bad enough that U.S. trade policies have allowed, and even encouraged, this economic and social devastation which has caused immeasurable and unspeakable human devastation in northeastern Minnesota—broken lives, broken homes and families, severe depressions, even suicides. Yet adding the grievous offense to these terrible tragedies, U.S. Government refused to allow these displaced workers the benefits, the job training, and other supports which Congress clearly intended when it passed the Trade Adjustment Assistance Act.

In fact, the U.S. Department of Labor has consistently ruled that taconite pellets were not in direct competition with imports of semifinished steel or slab steel. That view is so ill-informed and absurd that it would be laughable if it were not for the further damage it has caused these already seriously harmed men and women. That makes such rulings inexcusable and trade adjustment assistance denials inhumane and even immoral.

This legislation would make such denials illegal. It would establish the obvious: that the imports of semifinished steel and iron ore are directly causing these job losses.

It establishes that the illegal dumping of these products are within the province of the International Trade Commission which, I might add, is proven to be an ineffective protector of Minnesota industries and American jobs.

This legislation, while needed to provide the assistance these workers need and deserve, is by no means a solution to the much larger problem of protecting this basic industry for the sake of national economics, the sake of our national security, and certainly for the sake of these dedicated men and women in Minnesota and elsewhere in the country who want to go to work, who want to earn a living, who want to contribute to the economic strength of this country and who, through misguided policies, are now being denied the opportunity to do so.

I yield the floor to my colleague from Minnesota.
Mr. WELLSTONE, Mr. President, I ask unanimous consent that some letters from steelworkers and their families—without using last names, Barry, David, Lisa, Cliff, Joanne, and Lenore—be printed in the RECORD, along with a letter of support from John Swift, a commissioner of IRRRB, Jerry Fallos, USWA, which has just been ravaged by the LTV shutdown, Vince Lacer, who is mayor of the city of Aurora, and Richard Rojeksi, USWA Local 2705, Chisholm, MN, along with the letter from Louis Fonseca, Cleveland Cliffs Union Coordinator, and other letters of support from other steelworker local presidents throughout the range, along with a letter from David Foster, who is director of Steelworker District 11.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

To: The Honorable Senator WELLSTONE and Senator DAYTON, from Barry.

GENTLEMEN: I am writing this letter to you in support of receiving Trade Readjustment Allowance for those that have been displaced because of illegally dumped steel. I would like to share with you about my situation and myself. I am married with 3 daughters 2 cats and one dog. I am 40 years old, my wife Kathy is 41, my oldest daughter Jamie is 18, Alyce is 5 and my youngest daughter is Alexandra. She likes to be called Alex and is 7 years old. My oldest daughter Jamie is currently going to college, which has also stressed our situation. We are determined to get her through college. We live in a little town called Gilbert, MN. I have helped coach Babe Ruth Baseball and am on the United Way board of directors. I feel I do whatever I can to contribute to try to strengthen or support our community. I guess that is why I feel compelled to write to you about our situation.

LTV Steel Mining is the company that I used to work for. The reason that I say used to work for is because LTV Steel Corporation has announced that they are permanently closing our plant because they cannot compete with cheap dumped imported steel. There were approximately 1,500 full time employees, we are hoping to get retrained, but the 364 of them were laid off. Except for the handful of employees that shut down the plant, the rest have been laid off including myself. I would hope that you could seriously consider promoting TAA Benefits for those of us that are laid off. When I heard the announcement last spring, I immediately enrolled and took courses at a local junior college. Fall semester came and I went into a 2-year course called Automated Control Technologies. It was a struggle going to school full time and working. I spent we are afraid the entire grant of 2.1 million tons of production and 1400 jobs.

Mr. WELLSTONE, Mr. President, I would like to share what I believe to be a critical piece of legislation to keep the people in Northern Minnesota. The injury caused by these imports has been devastating not only the steel industry, but also the entire economy. The taconite producers in Minnesota and across the country are in a crisis they may never recover from. With the closure of LTV Steel Mining Company and the continued layoffs of miners from the six other mines it owns, some domestic steel producers have turned to dumped imports of steel slab, which has devastated the iron ore industry, and thousands of working families in Minnesota. The injury caused by these imports is unquestionable. Last month, production of Dillinger Taconite Company was cut 1.3 million tons of production; and LTV Steel Mining Company closed its mining plant, permanently eliminating 8 million tons of production and 1400 jobs.

By all accounts, the taconite industry and its workers are in crisis. We must enact the Taconite Workers Relief Act immediately to protect and strengthen the industry and the communities of northern Minnesota.

Sincerely,
JOHN SWIFT, Commissioner.

DEAR SENATOR WELLSTONE, SENATOR DAYTON, and CONGRESSMAN OBERSTAR: I’m writing this letter on behalf of the 1400 people that represent, that formally worked for LTV Steel Mining Company. I can’t begin to tell you how much your bill, the Taconite Workers Relief Act of 2001, will mean to us. As of today 900 employees were placed on permanent layoff. In six months these people will be out of unemployment benefits and a lot of them will be out of Health Benefits.

As every one knows the continued flow of imported steel is devastating not only the steel industry, but also the entire economy. The taconite producers in Minnesota and across the country are in a crisis they may never recover from. With the closure of LTV Steel Mining Company and the continued layoffs of miners from the six other mines it owns, some domestic steel producers have turned to dumped imports of steel slab, which has devastated the iron ore industry, and thousands of working families in Minnesota. The injury caused by these imports is unquestionable. Last month, production of Dillinger Taconite Company was cut 1.3 million tons of production; and LTV Steel Mining Company closed its mining plant, permanently eliminating 8 million tons of production and 1400 jobs.

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By all accounts, the taconite industry and its workers are in crisis. We must enact the Taconite Workers Relief Act of 2001 immediately to protect and strengthen the industry and the communities of Northern Minnesota.

Sincerely,
VINCENT P. LACER
Mayor

DEAR SENATOR WELLSTONE: I am writing to you today to thank you and Senator Dayton for taking time out of your busy schedules to come to the Iron Range and listen to our concerns in the mining industry. I would like to tell you that I am in full support of the TAA recommendations and hope that we can get this through the Senate.

The importing of semi finished steel into this country is detrimental to the economy of the Iron Range. We need to get taconite pellets equal with semi-finished slabs and with the bill that you are proposing on TAA recommendations I believe will help the Taconite Industry.

Please continue to press our issue of unfairly imported or dumped steel and semi-finished steel. With your help I know that we will win this battle.

RICHARD ROJESKI
President

UNITED STEELWORKERS OF AMERICA

Senator PAUL WELLSTONE
Washington, DC.

DEAR SENATOR WELLSTONE: I am writing to you today to thank you and Senator Dayton for taking time out of your busy schedules to come to the Iron Range and listen to our concerns about the mining industry. I would like you to know that I am in full support of the TAA recommendations and hope that we can get this bill through the Senate.

The importing of semi finished steel into this country is detrimental to the economy of the Iron Range. We need to get taconite pellets equal with semi-finished slabs and with the bill that you are proposing on TAA recommendations I believe will help the taconite industry and the Iron Range.

Please continue to press our issue of unfairly imported or dumped steel and semi-finished steel. With your help I know that we will win this battle.

Sincerely,
LOUIS P. JONDEAU
Cleveland Cliffs Union Coordinator

LOCAL UNION NO. 6860

UNITED STEELWORKERS OF AMERICA

DEAR SENATOR WELLSTONE: I am writing this letter in support of the new legislation that you, Sen. Dayton and Rep. Oberstar are introducing into the Senate and House of Representatives that deal with dumping of imports of steel into the U.S. market.

As you know, in June of 1999, EVTAC Mining laid off approx. 150 Bargaining Unit employees because of the illegal dumping of imports of semi-finished steel into the U.S. market in violation of our TAA agreements with U.S. Steel’s Minntac Plant and Hibbing Taconite Company. We want to point out the “Taconite Workers Relief Act of 2001” immediately to protect and strengthen the industry and the communities of Northern Minnesota.

Sincerely,
VINCENT P. LACER
Mayor

UNITED STEELWORKERS OF AMERICA,
DISTRICT #11,

Senator PAUL WELLSTONE
Washington, DC.

DEAR SENATOR WELLSTONE: I am writing to express my strong support for your introduction of the Taconite Workers’ Relief Act which would be designed to redress certain long-standing inequities in American trade laws as they apply to the unique situation of Minnesota and Michigan iron ore miners.

As you know, northern Minnesota was settled over 100 years ago by immigrant miners recruited from over 30 different countries to mine what were then known as the world’s richest deposits of iron ore. The Mesabi Range fueled the industrial development of North America throughout the 20th Century, providing the raw materials for the steel that won two world wars, and contributed to building many of the nation’s great industrial fortunes. It likewise was typical of the ethnic melting pots that created the archetypal American communities—governed by strong family values, a sense of fair play, self-reliance, and a belief that working together we could shape our own future as we wished.

The steelworkers who go to work every day in Minnesota’s iron ore mines, drilling, digging, hoisting, and shipping such an enormous part of the world’s ore, have a right to expect that our laws protect us and our communities.

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UNITED STEELWORKERS OF AMERICA,
Local 6115,
Virginia, MN.

To WHOM IT MAY CONCERN: As a representa- tive of workers at a northern Minnesota mining operation, I feel you should know the devastation on the lives of hard working individuals and their families when our industry is shrinking, because of unfairly traded steel and slabs. The downsizing of the steel industry is a result of unfairly traded imports and we (the mining industry) are doubly hit because of dumped slabs coming into this country. Why this legislation or law help us or protect us with the same types of laws as the other end of our industry? On behalf of all steelworkers and their families, we wish to express our urgent support of Senator Wellstone’s “Taconite Import Injury Adjustment Act of 2001.”

Sincerely,
MARTY HENRY,
President

UPPER PENINSULA BUILDING TRADES COUNCIL

Re: Taconite Workers Relief Act.

HON. PAUL WELLSTONE
U.S. Senator
Washington, DC.

DEAR SENATOR WELLSTONE: I want to go on record thanking you for introducing the Taconite Workers Relief Act. You have shown the various consequences resulting from the Free Market Free-for-All occurring in the unprotected Steel Industry. Not the least of these consequences are the hardships that come down on the workers and their families who mine iron ore, the basic ingredient in steel production.

The women and men who provide construction services to the mines also lose out when the profit- takers dump steel, import cheap iron ore, or otherwise take market steps that destroy our labor industries in the region. Our situation in the Upper Peninsula of Michigan is that workers in the construction industry...
CONGRESSIONAL RECORD — SENATE

March 1, 2001

Mr. WELLSTONE. Mr. President, I thank Senator D AYTON. This Taconite Workers Relief Act that we are introducing today is being introduced in the House of Representatives today by Congressman OBERSTAR.

This legislation has two central objectives. The first is to make sure the taconite workers in the Iron Range in Minnesota, and taconite-producing regions in Michigan, are eligible for trade adjustment assistance. The second provision says that the taconite industry and its workers should be fully brought under trade laws that, if enforced, provide the protection needed for working families: section 201 cases, antidumping cases, and countervailing duty cases. I would like to take those one at a time.

On trade adjustment assistance, I could not be more in agreement with my colleague, Senator D AYTON, from Minnesota. The argument that has been made is that our taconite workers are not in competition with slab steel or semifinished steel and that could not be further from the truth in this highly integrated steel industry. If we want to make sure we get this trade adjustment assistance to people, and the sooner the better. This is a matter of lifeline support. This is a matter of enabling a worker or workers to go to school, to get additional training, to have some support, to be able to keep their families going. It is unconscionable—I think Senators, Democrats and Republicans, will agree—that taconite workers now are not getting this protection.

We will make the direct appeal to Secretary of Labor Chao, who seems to me to be a very good person—agree or disagree on policies—but I still think, Senator D AYTON, that the Department of Labor can administratively provide this support. It has been done before. We hope it can be done again. We will make the direct appeal. We will work very hard at this administratively.

But if we cannot do it that way, we will come out on the floor of the Senate with an amendment, with a separate bill—however we best do it—to make sure we can get this trade adjustment for the taconite workers. I think some of the same work is going on in Minnesota and in Michigan as well.

The other part of it deals with the whole question of trade laws and making sure for taconite workers—and, for that matter, steelworkers in general, because they are not, Senator D AYTON, getting the protection they deserve right now—that we really apply section 201 and really look at the whole problem of other countries illegally dumping steel and semifinished steel on our market below the cost of production; and our taking action.

What is Government for, if not to be on the side of hard-working people. I say to my colleagues, you will not find a stronger work ethic or a group of citizens who work harder than those on the Iron Range. You cannot if you go anywhere in the country. The taconite workers fit everything we say on the floor of the Senate about what we think is important about America. They live and work under tough conditions, are absolutely committed to supporting their families, and through no fault of their own they are out of work.

So I say to Senator D AYTON, and I would like to go back and forth with him in discussion in the time we have, I would say this is a short-run solution and then we will be trying to get to the bottom of this. In the short run, we want to make sure the assistance is immediate. This is about survival. This is about supporting people who desperately need the help.

The other thing we want to do is get it right on trade on the Iron Range in Minnesota, and I am sure the same is true for Michigan. Frankly, I think about steelworkers and think about auto workers and I think about industrial workers all across our country. Our workers are not asking for any kind of isolationist policy. Our workers want to be billion-dollar companies in an international economy. But we want trade laws that give us a level playing field.

When you have a situation where you have really what amounts to illegal dumping of cheap semifinished steel or steel on the market or when you have children working under deplorable working conditions, with nothing done about that, we have to figure out a way that we can put a framework in place to protect people—works for working people in Brazil, works for working people in Russia, works for working people in South Korea, but also works for working people in the Iron Range of Minnesota and all across the country.

We are committed to both fronts. I say to Senator D AYTON, initially we want to get this assistance to people right away, immediately. Then we want to get colleagues engaged in this debate on trade policy which is so important when it comes to what crucially affects the lives of people.

I ask my colleague from Minnesota, if I can, whether he would be willing to reflect with me on the floor of the Senate where the other half of the miners had a direct conversation in the range, just some of the conversations with people and what this all means to Iron Rangers in personal terms. What has been your experience meeting with steelworkers and others? I hope to have a colleague join me.

Mr. D AYTON. I agree with you, Senator WELLSTONE. People up there are suffering enormously because of these tragedies. To look in their faces, to see the pain and suffering, to see fathers and mothers who cannot support their families, who are losing not only their homes but their jobs and way of life—as you know, Senator, thousands of people from across the Iron Range have had to leave the area where they were born, where their families have lived for generations, because they cannot find work there.

We are losing especially the youngest. In fact, part of a whole generation of Minnesotans have had to leave the Iron Range. Over 30 percent of the opportunities. The average age of a citizen now in northeastern Minnesota is over the age of 55. Over half the citizens who reside there are senior citizens. This kind of devastation is really unspeakable, unfair, and, as I say, it is a consequence of over 20 years of what I believe are misguided trade policies.

I agree with my distinguished colleague, the senior Senator from Minnesota, that we should be looking for policies that benefit workers who cannot support their families, and the international trade ambassador, and the international trade ambassador. They are not the architects of these policies. Hopefully, with a new administration, we can work together because at least the trade adjustment and trade program itself—this is clearly, precisely what was intended by Congress when it was passed. It is just unconscionable that it has not been provided administratively already.

I agree with you that should be an option. But in the broader context of these policies, before these industries are wiped out in the United States, I
hope the administration will take a se-
rious look at them. I yield back to my
colleague.

Mr. WELLSTONE. I say to my col-
league, he is absolutely right. There
have been a number of meetings I have
been at and I know the same applies to
Senator DAYTON. I can remember one.
It was right before Christmas. It was a
meeting in Aurora. There were a lot of
people there, a lot of the steelworkers,
taconite workers, and also some of
their families. I was asking people, be-
sides legislation, what else can be
done? This is the first time this has ever
happened in the Iron Range, at least in
the 20 or 25 years I have been up there.
Senator DAYTON, this one fairly young worker stood up and he said: We need help for Christmas pre-

tsents.

I never heard that before. When peo-
ple were working, they made good
wages and had health care benefits.
Now they are worried about presents.

Mr. DAYTON. Mr. President, I agree
with Senator WELLS. He points to a
couple of other failures of our soci-
ety. As he said, there is a lack of
health care for families when someone
loses their job through no
choice or fault of their own. That is
one of the great travesties of this situ-
ation. It takes what is an already awful
condition and makes it even more de-
structive to an individual. It is bad
enough when people cannot afford
Christmas meals, but then they cannot
not afford to take their child to a doc-
tor and cannot afford to have their own
health problems diagnosed on a timely
basis. When they cannot afford to get
surgery, then it becomes a problem
this country and society should not allow.

I underscore the Senator’s point that
he made a short while ago. There was a
job fair in Ashland that opened up 400
jobs to take care of all sorts of restrooms
and everything else in one of the county
buildings and, that paid less than $7 an
hour. There were over 300 applicants
for that one position.

It underscores just how hard it is
for people who want to work and are
willing to work at anything rather than
take a handout and relief.

It is basic humanity to offer assist-
ance.

Again, I hope to work with the Sen-
or so that we can pass this legisla-
tion. The administration must ac-
knowledge their failure to provide as-

tistance to the men and women of the
Iron Range who want to contribute to
the economic strength of this country.

Mr. WELLSTONE. Mr. President, I
look forward to working with my col-
league, Senator DAYTON, on this.
I think two Senators from the same
State who care deeply about people
who are really hurting and who love
nordic iron ore workers are going to
give this every bit of effort. I am really
looking forward to working with the
Senator on this. I so much want to help
people.

I yield the floor.

Mr. LEVIN. Mr. President, I am
pleased to join with my colleagues from
Michigan and Minnesota in spon-
soring the Taconite Workers Relief
Act of 2001. This is an important piece
of legislation for the future of our States’
taconite iron ore mines and their em-

employees who are facing a severe im-
port crisis that is threatening to put
them out of business. Enactment of
this legislation will simply allow an in-
dustry providing a key input into fin-
s
ed steel production and is displaced
by cheaper to import semi-finished steel
slab eligible for TAA and Section
201 remedies. It also would consider im-
ported semi-finished steel slab eligible
for countervailing duties as well as mak-
ing its displaced employees eligible for
Trade Adjustment Assistance. It does
this by designating Taconite pellets as
“like or directly competitive with
semi-finished steel slab” for the pur-
poses of eligibility for TAA and Section
201 remedies. It also would consider im-
ported semi-finished steel slab eligible
for countervailing duties, CVD, which
are designed to deal with dumped steel
faces a unique problem in trying to
combat these harmful and unfair trade
practices. Although its workers are los-
ing their jobs to cheap and probably il-
legally dumped imports, they cannot
fight back using our trade laws that
were specifically designed to deal with
these situations.

This is because of how our trade laws
have been interpreted in the past and
the failure to recognize the U.S. iron
ore industry’s standing to file import
relief cases against foreign producers
of semi-finished steel. For example,
under previous interpretations of U.S.
trade laws, iron ore is not considered an
article that is “like or directly com-
petitive” with an imported article that
is found to be a substantial cause of se-
rious injury, or threat, to the domestic
industry, even though it is a key input
in making finished steel. This is clear-
ly an oversight that should be cor-
rected. The bill we are introducing
today will achieve that goal.

This legislation would ensure that
the taconite industry and its employ-

ees would benefit from the protection
of section 201, anti-dumping and coun-
tervailing duties laws as well as mak-
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fight back using our trade laws that
were specifically designed to deal with
these situations.

I hope the Senate will recognize the
fairness in giving parity to a critical
sector of the steel industry that has
been overlooked in the past and should
not be forgotten now. There is too
much at stake to let this industry go
under.

By Mr. WYDEN (for himself, Mr.
SMITH of Oregon, and Mrs. MUR-
RAY).

S. 423. A bill to amend the Act enti-
tled “An Act to provide for the estab-
lishment of Fort Clatsop National Mem-
orial in the State of Oregon, and for
other purposes”; to the Committee on
Energy and Natural Resources.

Mr. WYDEN. Mr. President, today I
am pleased to introduce the Fort
Clatsop National Memorial Expansion
Act of 2001 with my friends and col-
leagues, Senator GORDON SMITH of
Oregon and Senator PATTY MURRAY from
Washington.

The Fort Clatsop Memorial marks
the spot where Meriwether Lewis, Wil-
liam Clark, and the Corps of Discovery

March 1, 2001  CONGRESSIONAL RECORD—SENATE
The bicentennial years of 2003 through 2006. The legislation builds on the excellent work of our nation’s earth scientists and engineers by making implementation of loss reduction measure a federal priority. We know where earthquake hazards exist, which buildings and transportation systems are most vulnerable, and what the consequences will be to public safety, community character, and our economy if an earthquake strikes. It is an “ounce of prevention” that will save the federal treasury, homeowners, businesses, and state and local governments the “pound of cure” for relief and recovery.

The challenge as we enter the 21st century is to put this knowledge to work to reduce future losses, and improving the safety of Americans and the performance of privately and publicly owned buildings and facilities. The time to implement our knowledge is now.

There is no question that mitigation efforts save dollars and lives in the long run. It worries me greatly that the President, in his budget, proposes a cut to existing mitigation efforts.

First, the President proposes eliminating the Project Impact program. Project Impact is the nation’s premier disaster prevention initiative. Communities use Project Impact funds to retrofit hospitals and schools, to create flood barriers, and to help shore-up communities against any number of other possible natural disasters.

California has eight Project Impact communities, and has used Project Impact funds to stabilize emergency facilities and other important structures. Local communities do not always have the resources to mitigate these facilities on their own.

There are two other proposals in President Bush’s budget that are cause for alarm.

1. The President’s budget outline assumes $85 million in FEMA savings by including a public buildings disaster insurance requirement, phased in over three years. This provision would mean that public entities like the U.S. system would have to have insurance on ALL structures before they could apply for federal assistance in the event of a disaster.

This proposal simply is not feasible for states like California. Insurance companies in California do not offer

sent 106 days during the winter of 1805. The bicentennial of their historic journey is fast approaching. It is estimated that over a quarter-million people will visit the memorial during the bicentennial years of 2003 through 2006. Despite this anticipated influx of visitors, the memorial is legally limited to be no larger than 130 acres. This legislation would authorize a boundary expansion of the memorial up to 1500 acres and will therefore help accommodate the increasing number of visitors expected during the Lewis and Clark Bicentennial. The bill also authorizes a study of the national significance of Station Camp, another Lewis and Clark stopping point in 1805, located in Washington State.

Since the 1980s, the United States Park Service in Astoria, OR has been negotiating with Willamette Industries to acquire approximately 928 acres for the expansion of the Ft. Clatsop National Memorial. These acres are integral to the utilization and enjoyment of the memorial’s historic site. The Park Service and Willamette Industries have reached an agreement that will enable the Park Service to acquire this property. However, this legislation is necessary to authorize the expansion of the memorial’s boundary before any additional lands can be acquired.

The Park Service has targeted the expansion of the Fort Clatsop Memorial as one of its highest priorities. The Clatsop Commission supports this legislation, as do the local landowners in and around the memorial. In addition, I have heard from the National Parks and Conservation Association NPCA, the Trust for Public Lands, and the Conservation Fund, all of whom support this effort to expand the Ft. Clatsop Memorial.

I look forward to working with my colleagues to pass this legislation because the protection of this important American historic area will enable us to illustrate the story of Oregon and America’s western expansion for all who visit this special place. 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. 423

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 “Fort Clatsop National Memorial Expansion Act of 2001”.

SEC. 2. FINDINGS.

The Congress finds the following:

(1) In 1805, the members of the Lewis and Clark Expedition built Fort Clatsop at the mouth of the Columbia River near Astoria, Oregon, where they spent 106 days waiting for the ships and packing their supplies for their journey home. The Fort Clatsop National Memorial was created by Congress in 1958 for the purpose of commemorating the culmination, transportation, and encampment of the Lewis and Clark Expedition following its successful crossing of the North American continent, and is the only National Park Service site solely dedicated to the Lewis and Clark expedition.

(2) The 1955 General Management Plan for the Fort Clatsop National Memorial, prepared with input from the local community, calls for the addition of lands to the memorial to accommodate increased use by expedition members to travel from the fort to the Pacific Ocean and to include the shore and forest lands surrounding the fort and trail to protect their resources.

(3) The area near present day McGowan, Washington where Lewis and Clark and the Corps of Discovery camped after reaching the Pacific Ocean was surveyed, and conducted the historic “vote” to determine where to spend the winter, is of undoubted national significance.

(4) The National Park Service and State of Washington should identify the best alternative for adequately and cost effectively protecting and interpreting the “Station Camp” site.

(5) Expansion of the Fort Clatsop National Memorial would require Federal legislation because the area is currently limited by statute to 130 acres.

(6) Congressional action to allow for the expansion of Fort Clatsop for both the trail and for from the north to the Pacific Ocean and to include the shore and forest lands surrounding the fort and trail to protect their resources.

SEC. 3. ACQUISITION OF LANDS FOR FORT CLATSOON NATIONAL MEMORIAL.

The act entitled “An Act to provide for the establishment of Fort Clatsop National Memorial in the State of Oregon, and for other purposes”, approved March 29, 1958 (Chapter 188, 72 Stat. 33), is amended—

(a) by inserting in section 2 “(a)” before “The Secretary”;

(b) by inserting in section 2 a period, “,” following “coast” and by striking the remainder of the section;

(c) by inserting in section 2 the following new subsections:

“(b) The Memorial shall also include the lands depicted on the map entitled ‘Fort Clatsop Boundary Map’, memorial and dated “405-80016-CGO–June-1996”.

The area designated in the map as a “buffer zone” shall not be developed but shall be managed as a visual buffer between a commemorative trail that will run through the property, and contiguous private land holdings.

(c) The total area designated as the Memorial shall contain no more than 1,500 acres.”

(d) by inserting at the end of section 3 the following new subsections:

“(b) Such lands included within the newly expanded boundary may be acquired from willing sellers only, with the exception of corporately owned timberlands.”

SEC. 4. AUTHORIZATION OF STUDY OF STATION CAMP.

The Secretary of the Interior shall conduct a study of known as “Station Camp” near McGowan, Washington, to determine its suitability, feasibility, and national significance, for inclusion into the National Park System. The study shall be conducted in accordance with Section 8 of Public Law 91-383 (16 U.S.C. 1a–5).

By Mrs. FEINSTEIN:

S. 424. A bill to provide incentives to encourage private sector efforts to reduce earthquake losses, to establish a national disaster mitigation program, and for other purposes; to the Committee on Finance.

Mrs. FEINSTEIN. Mr. President, my thoughts go out today to the people of Washington as they assess the damage and begin recovery from the earthquake there yesterday afternoon.

Yesterday’s event is a reminder that earthquakes are a national problem, and one that can strike at any time, without warning.

It is in this light that I introduce, today, the Earthquake Loss Reduction Act of 2001. This bill provides incentives to encourage responsible state and local governments, individuals, and businesses to invest in damage prevention measures before an earthquake strikes. It is an “ounce of prevention” that will save the federal treasury, homeowners, businesses, and state and local governments the “pound of cure” for relief and recovery.

The legislation builds on the excellent work of our nation’s earth scientists and engineers by making implementation of loss reduction measure a federal priority. We know where earthquake hazards exist, which buildings and transportation systems are most vulnerable, and what the consequences will be to public safety, community character, and our economy if an earthquake strikes. We also know how to reduce losses. Guidelines exist that provide rational, common sense approaches to upgrade weak facilities.

The challenge as we enter the 21st century is to put this knowledge to work to reduce future losses, and improving the safety of Americans and the performance of privately and publicly owned buildings and facilities. The time to implement our knowledge is now.

There is no question that mitigation efforts save dollars and lives in the long run. It worries me greatly that the President, in his Budget, proposes a cut to existing mitigation efforts.

First, the President proposes eliminating the Project Impact program. Project Impact is the nation’s premier disaster prevention initiative. Communities use Project Impact funds to retrofit hospitals and schools, to create flood barriers, and to help shore-up communities against any number of other possible natural disasters.

California has eight Project Impact communities, and has used Project Impact funds to stabilize emergency facilities and other important structures. Local communities do not always have the resources to mitigate these facilities on their own.

There are two other proposals in President Bush’s budget that are cause for alarm.

1. The President’s budget outline assumes $85 million in FEMA savings by including a public buildings disaster insurance requirement, phased in over three years. This provision would mean that public entities like the U.S. system would have to have insurance on ALL structures before they could apply for federal assistance in the event of a disaster.

This proposal simply is not feasible for states like California. Insurance companies in California do not offer...
disaster insurance or, specifically, earthquake insurance.

It will be interesting to see how the cities affected by the Washington earthquake would be affected by this rule. Insurance companies in Washington would write earthquake insurance and would be paying out over the coming months. It will be interesting to see if the insurers are able to withstand the costs.

2. The budget also proposes reducing from 75 percent to 50 percent the federal share of funding for hazard mitigation grants. Once again, this is simply not feasible in California. California public institutions would not be able to afford 50 percent of clean-up costs after a major earthquake. It would be difficult for them to pay even 25 percent, which is current law.

These two provisions could cause my State, and others, great harm if enacted. I am prepared to fight them, and I will.

The United States Geological Survey tells us there are 40 states and five territories with a moderate or higher earthquake risk. Entire metropolitan areas in these states and territories are at risk of being crippled by earthquake damage. The buildings, and building and infrastructure were built without appropriate seismic requirements.

Areas lying outside “earthquake zones” are also affected. Even localized damage threatens complex economic systems and the magnitude of a federal disaster aid. Let me give you a few examples of potential losses estimated by FEMA’s regional earthquake loss estimation model, HAZUS.

A magnitude 7.0 earthquake on California’s Newport-Inglewood fault running through the Los Angeles basin could cause an estimated $80 billion in losses. Damage to buildings and business interruption would affect Los Angeles, Orange, San Bernardino, Riverside, and San Diego counties if the fault were to strike. About 58 percent of the damage would be to residential buildings, displacing about 400,000 people. An estimated 100,000 people would need shelter.

A magnitude 7.0 earthquake on the Hayward fault running along the east side of the San Francisco Bay could cause about $37 billion in damage. About 56 percent of the damage would be to residential buildings, displacing about 140,000 people. More than half of the losses would stem from damage to wood-frame homes and small business buildings.

A magnitude 7.5 earthquake on the Border Ranges fault near Anchorage, AK could cause about $5 billion in losses. Anchorage, a city of about 200,000 people, would suffer most of the damage. More than 60 percent of the damage would be to wood-frame buildings serving as homes and small businesses.

A magnitude 7.2 earthquake on the Wasatch fault on the east side of Salt Lake City could cause about $13 billion in losses to the eight counties in that region. Most of the damage, about $11 billion, would occur in Salt Lake County. Throughout the region, about 150,000 people would be displaced, nearly 38,000 would require shelter, and nearly $10 billion of the losses would result from damage and disruption to residential buildings.

As large as these estimates seem, the actual losses could be even greater. Make no mistake, earthquakes will strike these regions and others, we just do not know when. In each estimate, over half of the losses are expected to come from residential buildings. Most vulnerable residential buildings can be upgraded for reasonable levels of expenditures. The incentives proposed in this bill could make it happen.

While it is too early to determine the extent of the damage of yesterday’s earthquake in Washington, taking a look at the losses from the 1994 earthquake in Northridge, CA. The direct losses from that quake totaled more than $44 billion. For all disasters declared since 1994, FEMA has paid nearly $28 billion in disaster assistance for repairs to public buildings and infrastructure and for humanitarian aid. FEMA’s outlay for Northridge alone represents 25 percent of this 12-year aggregate figure, approximately $7 billion.

You and I know that supplemental relief funds disrupt carefully planned budget decisions and undermine on-going programs. For some people, reducing recurring demands for federal disaster aid may be reason enough to support this bill, but there are more compelling reasons.

The cost and consequences of earthquakes are painful to the victims, both individuals and businesses. The plight of those in the disaster area may be obvious, but the effects extend outside of the disaster area, often across state borders affecting those who depend on damaged businesses and affected customers. The economy of the region depends on closely linked businesses, suppliers of raw materials and components, manufacturers, transporters, and marketers. Worldwide competitors seek the market share of American businesses. The US economy as a whole suffers from a disaster.

The cost and consequences of earthquakes are experienced by the community. The bill recognizes the shared responsibility for prevention, and seeks to ensure that the federal government and its local partners share the financial burden.

Background

Earthquakes are a natural hazard that affect all parts of the United States. The United States Geological Survey’s National Earthquake Hazards Reduction Program has sponsored research and development activities in earthquake engineering and has produced the knowledge and tools, such as the HAZUS models. Over twenty years, our National Earthquake Hazard Reduction Program has sponsored research and development activities in earthquake engineering and has produced the knowledge and tools, such as the HAZUS models.

Reducing earthquake losses depends on the actions of millions of individual decision-makers, homeowners, business owners, and government officials. Many successful measures are easy to implement, but may seem expensive when considering competing demand for funds between immediate issues and the perceived low probability threat of an earthquake. The incentives in this bill provide good reasons to undertake loss reduction efforts. This will move knowledge from the laboratory to the community.

The bill recognizes the shared responsibility for prevention means that those responsible for the facilities at risk accept responsibility for reducing the risk.

This legislation does the following:

1. It provides a credit against federal income taxes equal to 50 percent of a homeowner’s investment in seismic retrofit, not to exceed $6,000.

2. It provides businesses an opportunity to depreciate the cost of seismic retrofit over five years.

3. The bill defines a seismic retrofitting bond as a bond for which 95 percent of the proceeds are used for seismic retrofitting expenditures or used to offset seismic retrofitting expenditures as “qualified bonds.”

4. It encourages private investments in seismic retrofitting of residential properties by allowable deduction of passive activity losses.

5. The legislation provides mortgage insurance incentives for seismic retrofitting of residences.

6. It authorizes a $1 billion Loss Reduction Trust Fund to provide matching grants for mitigation measures and recovery planning grants to reduce damage to buildings and utility and transportation systems critical to disaster response. Provisions ensure that government entities, public and private hospitals, institutions of higher education, and special districts, the trust fund grants would require that the state and the local entity recipients benefitting from the investment fund a portion of the cost. In addition, the local entities must also have in place a long-term strategic earthquake loss reduction plan and enforce land use, building code, and other measures to reduce the vulnerability of facilities in their jurisdiction.

7. And the bill authorizes establishment of the Advanced National Seismic Research and Monitoring System.
The loss of drinkable water affects the entire community and cripples business activity. Considering the time to repair or replace a damaged pump facility, it is estimated that the cost of lost services would be $112 million. Clearly, a $488,000 investment is a good one.

The Loss Reduction Trust Fund established by this bill authorizes $1 billion in matching grants to strengthen critical infrastructure like the Davis Water Pumping Station.

2. Another good example of forward thinking that has such tremendous results is the Northridge earthquake. After realizing its facilities were vulnerable to earthquake damage, the company began a $20 million program to retrofit critical buildings and equipment. The brewery is a critical company asset because it supplies the Southwest and Pacific regions. Although located only a few miles from the epicenter of the 1994 Northridge earthquake, the brewery was able to return to operation after just minor cleanup, repairs, and restoration work. Anheuser-Busch estimated that damage and business interruption costs could have exceeded $300 million after the Northridge quake, had it not strengthened its facilities. There was more than a 90 percent probability of a major business. Damage affects employees, federal, state, and local government income, suppliers, vendors, and the surrounding community.

By accelerating depreciation of seismic resistant homes, this bill will encourage other businesses to carry out similar projects.

3. And there is another example from the Northridge earthquake. Three months before that quake, a homeowner in the Hollywood area of Los Angeles spent $3,200 to retrofit his 1911-vintage home. The house survived with only minor damage while similar houses on the same block suffered severe damage. In fact, several of those neighboring houses were demolished by the earthquake.

Many homes across the nation are built on poorly braced foundation walls or piers and posts and are vulnerable to damage during even mild earthquake activity. The cost to add the bracing needed generally is only a few thousand dollars, yet the cost of repairing a home after it falls is tens of thousands of dollars. As with a business, when a home topples, there is more at stake than injury to family members; the cost of repairs adds the fact that a falling home can spark a fire that can burn an entire community.

This bill creates a tax credit for half of the cost of the seismic retrofit of a residence, makes mortgages for earthquake resistant homes more attractive than those for homes meeting lower standards, and makes it easier for local government to use general obligation bonds financing for loss prevention project loans.

PEMA’s HAZUS software was recently used to estimate how the individual actions provided by the bill could add up to significant savings of importance to our communities, economies, and governments.

If a magnitude 7.0 earthquake occurred on the Newport-Inglewood fault under Los Angeles today, it could cause about $30 billion in damages. Losses interrupted, 400,000 people would be displaced, and there would be several hundred deaths. If every existing building in that area were retrofitted to the standards in current codes, the losses would drop by $20 billion to $52 billion. Business interruption losses would drop from $15 billion to less than $6 billion. The number of people displaced would shrink to 93,000, and the estimated number of deaths would drop by over 90 percent.

Similarly, a magnitude 7.0 earthquake on the Hayward fault in the San Francisco Bay area would cause about $37 billion in damages, if it struck today, 140,000 people would be displaced. However, if every existing building was retrofitted to the standards in current codes, the losses would be reduced by a third. Business interruption losses would drop from $6.5 billion to about $2 billion. The number of people displaced would shrink to 40,000 and the number of deaths would drop by more than 90 percent.

Assuming that all buildings meet the latest seismic standards is ambitious, but the resulting estimates give convincing evidence that implementing loss reduction measures can pay handsome dividends.

Moreover, the importance of loss reduction efforts extends beyond these quantitative estimates. Less damage means less psychological pain, more sustainable communities and businesses, protected stocks of low-income housing and architecturally and historically significant buildings and neighborhoods, and protected family savings. Every time a neighbor, employer, or local government invests in prevention, the entire community benefits.

Earthquakes are a nationwide problem. They have struck the Northeast and Northwest, damaged Charleston, Saint Louis, and Memphis, struck our mountain states, Alaska, and Hawaii. They will strike these and other places again.

Much of the knowledge we need to reduce losses from future earthquakes exists. While some forward thinking businesses, individuals, and local governments are already using the knowledge to invest in measures to reduce future losses, the Earthquake Loss Reduction Act creates modest federal incentives to foster a needed increase in the implementation of hazard mitigation measures.

This bill also establishes a $1 billion grant program to match the investments from local government entities, hospitals, and institutions of higher education. It challenges states to add to this match, and makes investment in properties for the purpose of seismic retrofit an attractive investment in...
our future. While the occurrence of large-scale earthquakes may be perceived as a low probability, our experience shows the high consequence of such events.

Strong federal leadership, and modest lead by Americans and local communities to undertake loss reduction measures can and lead us to a safer tomorrow. I urge my colleagues to support the Earthquake Loss Reduction Act.

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. 324

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 "Earthquake Loss Reduction Act of 2001".

SEC. 2. FINDINGS AND PURPOSE.

(a) Findings.—Congress finds the following:

(1) The foremost challenge as we enter the 21st century is putting this knowledge to work by reducing future losses to improve the safety of Americans and the performance of State and local government facilities and private buildings and facilities.

(2) Earthquakes and tsunamis cause great danger to human life and property throughout the United States and continue to threaten Americans significantly in over 40 States and territories.

(3) Too few States and local communities have sufficiently identified and assessed their risk and implemented adequate measures to reduce losses from such disasters and to ensure that their critical public infrastructure and facilities will continue to function after the disaster.

(4) Too much of the Nation's stocks of housing and commercial buildings remain inherently vulnerable to earthquake shaking. Further, the Nation's public and private infrastructure is lessened using currently feasible technology.

(5) Too much of local government infrastructure remain at risk and are likely to be non-functional in the aftermath of foreseeable earthquake events at the time when the services they provide are critically necessary.

(6) Federal, State and local government expenditures for disaster assistance and recovery have increased without commensurate reduction in the likelihood of future losses from such events.

(7) Feasible techniques for reducing future earthquake losses are readily available.

(8) Without economic incentives, it is unlikely that States and local communities and the public will be able to implement available measures to reduce losses and ensure continued functionality of their infrastructure.

(b) Purpose.—It is the purpose of this Act to establish a national disaster mitigation program that:

(1) reduces the loss of life and property, human suffering, economic disruption, and disaster assistance costs resulting from earthquakes;

(2) offers financial incentives to encourage private sector efforts to reduce earthquake losses;

(3) provides matching funds to encourage and assist States and local governments and the private sector in their efforts to implement measures designed to reduce the continued function of critical infrastructure, commerce, and habitation after earthquakes; and

(4) creates Federal, State and local government participation in the vulnerability of public infrastructure, commercial enterprises, and residential buildings to earthquakes.

SEC. 3. NONREFUNDABLE CREDIT FOR EXPENSES RELATED TO SEISMIC RETROFIT OF PRINCIPAL RESIDENCE.

(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of so much of the qualified seismic retrofit expenses of the taxpayer for the taxable year as do not exceed $6,000.

(b) Qualified Seismic Retrofit Expenses.—For purposes of this section—

(1) In General.—The term 'qualified seismic retrofit expenses' means amounts paid or incurred by the taxpayer during the taxable year in relation to any seismic retrofit construction of the principal residence of the taxpayer.

(2) Seismic Retrofit Construction.—The term 'seismic retrofit construction' means any addition or improvement required by any State or local law with respect to such property, and

(3) Seismic Retrofitting Expenditure.—For purposes of this subtitile, if a credit is allowed under this section, the term ‘seismic retrofitting expenditure’ means—

(a) any amount properly chargeable to capital account;

(b) any amount properly chargeable to the extent provided in section 26B(2); and

(c) any amount properly chargeable to the extent provided in section 26B(3).

(c) Effective Date.—The amendments made by this section shall apply to expenses paid or incurred in taxable years beginning after December 31, 2000.

SEC. 4. RECOVERY PERIOD FOR DEPRECIATION OF CERTAIN SEISMIC RETROFIT EXPENSES.

(a) Treatment as 5-Year Property.—Section 168(e)(3)(B) of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 25B the following new subsection:

"(15) Qualified Seismic Retrofit Property.—

(A) In General.—The term ‘qualified seismic retrofit property’ means any addition or improvement to real property for which depreciation is allowable under this section—

(i) which is certified by the State disaster agency or other applicable agency—

(ii) as being in addition to any addition or improvement required by any State or local law with respect to such property, and

(ii) which is placed in service at least 5 years after the date the building is first placed in service.

Such term does not include the cost of acquiring such property (or any interest therein).

(B) Effective Date.—The amendments made by this section shall apply to qualified seismic retrofit property placed in service after December 31, 2000.

SEC. 5. QUALIFIED SEISMIC RETROFITTING BOND.

(a) In General.—Section 144 of the Internal Revenue Code of 1986 (relating to qualified small issue bond; qualified student loan bond; qualified redevelopment bond) is amended by adding at the end the following new subsection:

"(d) Qualified Seismic Retrofitting Bond.—For purposes of this section—

(1) In General.—The term ‘qualified seismic retrofitting bond’ means any bond issued as part of an issue 95 percent or more of the net proceeds of which are to be used—

(A) for seismic retrofitting expenditures, and

(B) in a manner which meets the requirements of paragraph (3).

(2) Seismic Retrofitting Expenditure.—For purposes of paragraph (1), the term ‘seismic retrofitting expenditure’ means any amount properly chargeable to capital account—

(A) which is certified by the State disaster agency or other applicable agency—

(ii) as being in addition to any addition or improvement required by any State or local law with respect to such property, and

(ii) which is placed in service at least 5 years after the date the building is first placed in service.

Such term does not include the cost of acquiring such property (or any interest therein).
(3) USE OF PROCEEDS REQUIREMENTS.—The use of the proceeds of an issue meets the requirements of this paragraph if within the 26-month period beginning with the date of issuance—

(A) at least 95 percent of the net proceeds of such issue are used for seismic retrofitting expenditures or are used to finance 1 or more loans to ultimate borrowers for such expenditures, or

(B) to the extent not so used under subparagraph (A), such proceeds in excess of $10,000 are used to redeem bonds which are part of such issue.

(4) BONDS TREATED AS QUALIFIED BONDS.—Paragraph (1)(B) of section 144(k) of the Internal Revenue Code of 1986 (defining qualified bond) is amended by striking “or” at the end of subparagraph (F), by redesignating subparagraph (G) as subparagraph (H), and by inserting after subparagraph (F) the following new subparagraph:

(G) a qualified seismic retrofitting bond, or

(5) BONDS INCLUDED FOR PURPOSES OF SMALL ISSUER EXEMPTION STATUS.—Subclauses (I) of section 265(b)(3)(C)(ii) of the Internal Revenue Code of 1986 (relating to obligations not taken into account in determining status as qualified small issuer) is amended by striking the period at the end of subparagraph (A), such proceeds in excess of $10,000 are used to redeem bonds which are part of such issue.

(6) BONDS TREATED AS QUALIFIED BONDS.—Paragraph (1)(B) of the Internal Revenue Code of 1986 (defining qualified bond) is amended by striking “or” at the end of subparagraph (F), by redesignating subparagraph (G) as subparagraph (H), and by inserting after subparagraph (F) the following new subparagraph:

(H) to the extent not so used under paragraph (A), such proceeds in excess of $10,000 are used to redeem bonds which are part of such issue.

(7) END OF PARAGRAPHS.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 4. TREATMENT OF PASSIVE LOSSES OF CERTAIN PARTNERSHIPS ENGAGED IN SEISMIC RETROFITTING.

(a) IN GENERAL.—Sec. 469 of the Internal Revenue Code of 1986 (relating to passive activity losses and credits limited) is amended by adding at the end the following new subsection:

(b) SEISMIC RETROFITTING TRADE OR BUSINESS.—In purposes of this subsection, the term ‘seismic retrofitting activity’ means any activity which involves the financing of seismic retrofit construction (as defined in section 25B(b)(2)) for residential property.

(c) EFFECTIVE DATE.—This amendment shall apply to years beginning after December 31, 2000.

SEC. 5. TAX EXEMPTIONS FOR SEISMIC RETROFITTING.

(a) DEFINITIONS.—

(1) IN GENERAL.—Sec. 5(b)(1) of the Earthquake Hazards Reduction Act of 1977 (2 U.S.C. 1709(b)(1)) is amended by striking “(hereafter in this Act referred to as the ‘Agency’)”.

(b) GRANT PROGRAM.—The Earthquake Hazards Reduction Act of 1977 is amended by inserting at the end of section 5 (2 U.S.C. 1709) the following:

The term ‘loss reduction project’ means a project that results from a tsunami or an earthquake-caused landslide or liquefaction (as determined by the Director of the Agency).

The term ‘grant program’ means the earthquake disaster mitigation and recovery planning grant program established under section 6.

The term ‘Supplemental Grant Program’ means the earthquake disaster mitigation and recovery planning grant program established under section 6.

(10) CRITICAL PUBLIC INFRASTRUCTURE.—The term ‘critical public infrastructure’ means a utility or transportation system (in an amount which is attributable to any seismic retrofitting activity which such person engages in during the taxable year, whether or not the taxpayer materially participat in such activity.

(2) AMENDMENTS.—(A) IN GENERAL.—The term ‘qualified earthquake disaster activity’ means an activity which involves the financing of the seismic retrofitting activity (as defined in section 25B(b)(2)) for residential property.

(b) EFFECTIVE DATE.—This amendment shall apply to taxable years beginning after December 31, 2000.

SEC. 7. MORTGAGE INSURANCE INCENTIVE.

(a) DEFINITIONS.—

(1) IN GENERAL.—Sec. 143(f) of such Code (relating to mortgage insurance under the jurisdiction of the Secretary of Housing and Urban Development) is amended by—

(i) inserting “or due to seismic retrofitting of” before “a property” in section (A)(ii) of the Internal Revenue Code of 1986 (relating to the deduction equivalent within the meaning of subsection (b)(5)(A) of the active

(ii) before the period at the end of subparagraph (C)

(iii) before the period at the end of subparagraph (D) of such section.

(2) AMENDMENTS.—(A) IN GENERAL.—Sec. 143(f) of such Code (relating to mortgage insurance under the jurisdiction of the Secretary of Housing and Urban Development) is amended by—

(i) inserting “or due to seismic retrofitting of” before “a property” in section (A)(ii) of the Internal Revenue Code of 1986 (relating to the deduction equivalent within the meaning of subsection (b)(5)(A) of the active

(ii) before the period at the end of subparagraph (C)

(iii) before the period at the end of subparagraph (D) of such section.

(3) AMENDMENTS.—(A) IN GENERAL.—Sec. 143(f) of such Code (relating to mortgage insurance under the jurisdiction of the Secretary of Housing and Urban Development) is amended by—

(i) inserting “or due to seismic retrofitting of” before “a property” in section (A)(ii) of the Internal Revenue Code of 1986 (relating to the deduction equivalent within the meaning of subsection (b)(5)(A) of the active

(ii) before the period at the end of subparagraph (C)

(iii) before the period at the end of subparagraph (D) of such section.

(4) SEISMIC RETROFITTING LOAN.—The term ‘seismic retrofitting loan’ means—

(A) a loan made by a qualified institution (as defined in section 144(k)(1)) for the purpose of financing the seismic retrofitting of a property; and

(B) an energy efficient retrofitting loan (as defined in section 144(k)(1)).

(5) SEISMIC RETROFITTING LOAN.—The term ‘seismic retrofitting loan’ means—

(A) a loan made by a qualified institution (as defined in section 144(k)(1)) for the purpose of financing the seismic retrofitting of a property; and

(B) an energy efficient retrofitting loan (as defined in section 144(k)(1)).

SEC. 8. EARTHQUAKE DISASTER MITIGATION AND RECOVERY PLANNING GRANT PROGRAM.

(a) ESTABLISHMENT.—The Director of the Agency may establish a grant program to provide financial assistance to eligible recipients described in subsection (b) to pay the Federal share of the cost of carrying out earthquake disaster mitigation and recovery planning actions under the jurisdiction of the critical facilities and critical public infrastructure.

(b) ELIGIBLE RECIPIENTS.—(1) IN GENERAL.—To be eligible for a grant under the grant program, an entity shall be a local government, public or nonprofit private hospital, or public institution of higher education that—

(i) has jurisdiction over, or is located in, an area that is subject to earthquake disaster response activities of the entity.

(ii) submits to the Director of the Agency for approval an application for the grant in such form as the Director shall require; and

(iii) has completed an earthquake disaster risk analysis.

(c) ANNUAL GRANTS.—(1) IN GENERAL.—The Director of the Agency shall establish, by regulation, criteria that local governments, public and nonprofit private hospitals, and public institutions of higher education shall meet to qualify for grants under the grant program.

(b) REQUIREMENT APPLICABLE TO LOCAL GOVERNMENTS.—The criteria under subparagraph (A) applicable to local governments shall include the requirement that a local
government adopt and enforce comprehensive ordinances, building codes, land use measures, and other measures for earthquake disaster loss reduction that—

(1) take into consideration the identified earthquake hazards applicable to the area over which the local government has jurisdiction; and

(2) address current, cost-effective techniques designed to reduce losses from earthquake disasters and ensure the continued functionality of critical facilities and critical public infrastructure.

(3) Consultation.—The criteria under subparagraph (A) shall be adopted after consultation with—

(i) Federal, State, and local government officials and agencies; and

(ii) other persons knowledgeable in the fields of natural disasters and hazard mitigation.

(4) Cost Sharing.—

(i) Federal share.—Subject to subparagraph (B), the Federal share of the cost of measures carried out using a grant under the grant program shall be 75 percent.

(ii) non-Federal share of the cost of measures carried out using a grant shall be provided as follows:

(A) GRANTS TO LOCAL GOVERNMENTS (OTHER THAN INDIAN TRIBES).—In the case of a grant to a local government (other than an Indian tribe) a grant for a non-Federal share of the cost of measures carried out using the grant shall be provided as follows:

(1) ½ by the State.

(2) ½ by the local government.

(B) GRANTS TO INDIAN TRIBES.—In the case of a grant to an Indian tribe under the grant program the non-Federal share of the cost of measures carried out using the grant shall be provided as follows:

(1) ½ by the Bureau of Indian Affairs.

(2) ½ by the Indian tribe.

(C) GRANTS TO PUBLIC HOSPITALS.—In the case of a grant to a public hospital under the grant program, the non-Federal share of the cost of measures carried out using the grant shall be provided as follows:

(1) ½ by the State, from funds other than general State appropriations to the hospital.

(2) ½ by the public hospital, from general State appropriations to the hospital or from funds donated to the hospital.

(D) GRANTS TO NONPROFIT PRIVATE HOSPITALS.—In the case of a grant to a nonprofit private hospital under the grant program, the non-Federal share of the cost of measures carried out using the grant shall be provided as follows:

(1) ½ by the hospital.

(E) GRANTS TO PUBLIC INSTITUTIONS OF HIGHER EDUCATION.—In the case of a grant to a public institution of higher education under the grant program, the non-Federal share of the cost of measures carried out using the grant shall be provided as follows:

(1) ½ by the State.

(2) ½ by the public institution of higher education.

(5) In General.—A grant under the grant program may be used to—

(A) retrofit critical facilities and critical public infrastructure in accordance with paragraph (2);

(B) to implement earthquake disaster mitigation measures in accordance with paragraph (3);

(C) to develop earthquake disaster recovery plans in accordance with paragraph (4).

(6) Retrofit of Critical Facilities and Critical Public Infrastructure.—

(A) In General.—A grant under the grant program may be used to retrofit a critical facility or critical public infrastructure with parts or equipment that meets current standards for withstand ing earthquake disasters (as determined by the Director of the Agency).

(B) Selection of Critical Facilities and Critical Public Infrastructure.—A critical facility or critical public infrastructure shall be selected for a grant under subparagraph (A) if the critical facility or critical public infrastructure is identified in a long-term strategic earthquake disaster loss reduction plan adopted under subsection (b)(1)(D) as having high priority for retrofit because of the effect that damage to the critical facility or critical public infrastructure from an earthquake disaster would have on the quality of human life in the region and on recovery from the earthquake disaster.

(7) Implementation of Earthquake Disaster Mitigation Measures.—A grant under the grant program may be used to implement an earthquake disaster mitigation measure designed to ensure the continued functionality of a critical facility or critical public infrastructure.

(8) Development of Earthquake Disaster Recovery Plans.—

(A) In General.—A grant under the grant program may be used to develop an earthquake disaster recovery plan that includes—

(1) a plan for reestablishing government operations and emergency services after an earthquake disaster; and

(2) a plan for long-term recovery after an earthquake disaster.

(B) Schedule for Payment of Grant Funds.—Of the amounts for measures described in subparagraph (A)—

(1) 50 percent shall be paid upon approval by the Director of the Agency of the application for the grant; and

(2) 50 percent shall be paid upon adoption of the earthquake disaster recovery plan by the local government, public hospital, or public institution of higher education.

(9) Use of Grant Funds.—

(A) the desirability of geographical dispersal of available funds;

(B) the extent to which any applicant faces a greater risk of earthquake disasters, in number or severity, than other applicants;

(C) the extent to which each applicant is expending resources on addressing urgent problems concerning critical facilities or critical public infrastructure; and

(D) the extent to which the measures proposed to be funded using the grant are expected to result in cost savings to the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 7501 et seq.).

(10) Critical Facility.—The term 'critical facility' means—

(A) a public structure (including a police station, fire station, city or town hall, school, or other public building) or a public or nonprofit private hospital that is—

(i) owned by an entity; and

(ii) critical to the conduct of the disaster response activities of the entity; or
“(B) a facility that—

“(i) provides medical services to a specific occupational or industry segment of the general public; and

“(ii) is operated by an organization described in subsection (c) or (d) of section 501 of the Internal Revenue Code of 1986 and exempt from taxation under subsection (a) of such section.

“(11) CRITICAL PUBLIC INFRASTRUCTURE.—The term ‘‘critical public infrastructure’’ means a utility or transportation system (including a bridge, energy system, water or sewer system, or communication system) that is—

“(A) owned by an entity; and

“(B) critical to the conduct of the disaster response activities of the entity.’’.

(e) CONFORMING AMENDMENTS.—Section 12(a) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 770(a)) is amended by inserting ‘‘as in effect on September 30, 1997’’ after ‘‘6 of this Act’’ each place it appears.

SEC. 9. ADVANCED NATIONAL SEISMIC RESEARCH AND MONITORING SYSTEM.

(a) IN GENERAL.—The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.) is amended—

(1) by redesignating section 12 as section 13; and

(2) by inserting after section 11 the following:

“SEC. 12. ADVANCED NATIONAL SEISMIC RESEARCH AND MONITORING SYSTEM.

“(a) ESTABLISHMENT.—The Director of the United States Geological Survey shall establish and operate an advanced national seismic research and monitoring system (referred to in this section as the ‘‘system’’).

“(b) PURPOSE.—The purpose of the system shall be to—

“(i) maximize the use of Federal, State, local, and international resources and programs;

“(ii) provide additional data to support the development and implementation of effective national and regional earthquake planning and response strategies;

“(iii) make the best use of existing data collection and analysis capabilities;

“(iv) provide opportunities for public and private sector organizations to cooperate in the development and use of the system;

“(v) involve Federal, State, and local government officials, and the public in the development and operation of the system; and

“(vi) fully utilize existing seismic research and monitoring systems.

“(c) MANAGEMENT PLAN.—The plan shall include—

“(1) an annual cost estimates for—

“(i) milestone, standards, and performance goals for modernization of the seismic monitoring systems referred to in subsection (b); and

“(ii) milestones, standards, and performance goals for operation of the system; and

“(2) annual budget estimates for operation of the system.

“(d) AUTHORIZATION OF APPROPRIATIONS.—

“(1) ESTABLISHMENT.—In addition to amounts made available under section 13(b), there are authorized to be appropriated to establish the system—

“(A) $33,500,000 for fiscal year 2002; and

“(B) $10,300,000 for fiscal year 2003.

“(2) OPERATION.—In addition to amounts made available under section 13(b), there are authorized to be appropriated to operate the system—

“(A) $4,500,000 for fiscal year 2002; and

“(B) $10,500,000 for fiscal year 2003.”.

(b) CONFORMING AMENDMENTS.—Section 2 of Public Law 105–47 (42 U.S.C. 7704 note) is amended—

(1) in subsection (a)(7), by striking “section 12(b) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 770(b))” and inserting “section 13(b) of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 770(b))”;

(2) in subsection (c)(2), by striking “section 12(c) of such Act (42 U.S.C. 770(c))” and inserting “section 13(c) of that Act”.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 425. A bill to establish the Rocky Flats National Wildlife Refuge in the State of Colorado, and for other purposes; to the Committee on Armed Services.

Mr. ALLARD. Mr. President, I rise today to introduce legislation, along with my good friend and Colorado colleague, Senator Ben Nighthorse Campbell, to permanently designate Rocky Flats as a National Wildlife Refuge following the cleanup and closure of the site.

This legislation is the beginning of a new chapter in the history of Rocky Flats. The Rocky Flats National Wildlife Refuge Act is the product of more than a year’s worth of work by citizens, local elected officials, its passage will ensure our children and grandchildren will continue to enjoy the wildlife and open space that currently exists at Rocky Flats. To that end, I have worked in a bipartisan manner with my Colorado colleague, Senator Ben Nighthorse Campbell, to permanently designate Rocky Flats as a National Wildlife Refuge Act of 2001. This bill was originally introduced in November of 2000, and with a few refinements, is being reintroduced today in both the Senate and House. Also, this bill could not be possible without the hard work and dedication of the local governments and the Rocky Flats stakeholders.

My vested interest in Rocky Flats began during the 1980’s when I was the Chairman of the Senate Committee on Health, Environment, Welfare and Institutions. Although I supported the national security mission of the Rocky Flats site prior to closure, I believe that the Department of Energy must also ensure the safety and health of all Coloradans and the environment. When the Rocky Flats site was shut down in 1996, cleaning up and closing of the site became one of my top legislative priorities and will remain so until this project is complete.

In 1999, I became the Strategic Subcommittee Chairman of the Senate Armed Services Committee, which has direct oversight of former DoE weapons facilities including Rocky Flats. This is the first site in the DoE complex to receive funding for cleanup and closure, and will therefore be a role model for other sites in the complex. As Chairman of the Armed Services Committee, I will continue to work closely with my colleagues to educate them on the importance of cleaning up and closing Rocky Flats so it can be utilized as a National Wildlife Refuge. This education extends beyond the cleanup and closure of Rocky Flats to the importance of cleaning up and closing of all the former DoE weapons sites and how all closure sites in the DoE complex will play a role.

This is why it is important for everyone in Congress with a closure site to work together in a non-partisan manner for the good of the country. We also need to work close with our new Secretary of Energy, Spencer Abraham, to ensure that cleanup and closure remain a priority for DoE.

As a brief summary of the bill, I would like to bring to your attention a few of the following high points of the bill:

To begin, Rocky Flats will remain in permanent federal ownership through a transfer from the Department of Energy to the U.S. Fish and Wildlife Service after the cleanup and closure of the site is complete.

The historic Lindsay Ranch will be preserved for future generations. There will be no annexation of land to any local government, nor any construction of through roads. The only right-of-way that may be constructed on the site would be by the Fish and Wildlife Service for the management of the refuge.

The Secretary of Energy and the Interior are authorized to grant a transportation right-of-way on the eastern boundary of the site for transportation improvements along Indiana Street. Please note, however, that we are aware of the continued evaluation of this issue and want this section of the bill to be consistent with the needs of the local governments.

The Department of Energy and the Fish and Wildlife Service are to enter into a Memorandum of Understanding addressing administrative responsibilities prior to the transfer of the site not later than 1 year after the enactment of this Act.

The Department of Energy will not transfer any property to the Fish and Wildlife Service that must be retained for future onsite monitoring or that must be retained for protection of human health and safety. This legislation also clarifies that in the event of future cleanup activities, this action will take priority over wildlife management.

One of the most important directives in this Act and it states that ‘‘nothing in this Act shall be construed to affect the degree of cleanup at the Rocky Flats site required under the Rocky Flats Cleanup Agreement or any Federal or State law.’’ I believe it is important to reiterate that this bill should not be used as a mechanism to drive the level of cleanup. As with any cleanup, the future land use is always considered in setting cleanup levels, but cannot be controlled by us. It is our role to ensure that we do not jeopardize the safety and health of the public.
term operation and monitoring costs, and the State of Colorado’s rules for decommissioning nuclear sites which say licensees should reduce potential radiation dose levels as low as reasonably achievable.

Once the site is transferred to the Fish and Wildlife Service, the refuge will be managed in accordance with the National Wildlife Refuge System Act to preserve wildlife, enhance wildlife habitat, conserve threatened and endangered species, provide education opportunities, and support scientific research, as well as wildlife compatible recreation.

The Fish and Wildlife Service are to convene a public process to include input on the management of the site.

I firmly believe that access rights and property rights must be preserved. Therefore, this legislation recognizes and preserves all mineral rights, water rights and utility rights-of-way. This Act does, however, provide the Secretary of Energy and the Secretary of Interior the authority to impose reasonable conditions on the access to private property rights for cleanup and refuge management purposes.

With regard to mineral rights, the Secretary of Energy is required to seek to purchase mineral rights from willing sellers.

As a tribute to the Cold War and the dedicated Rocky Flats workers both prior to and after the site closure, the bill authorizes the establishment of a Rocky Flats museum to commemorate the site requiring that the creation of the Museum shall be studied, and a report shall be submitted to Congress within three years following the enactment of this Act.

Finally, this bill directs the Department of Energy and the Fish and Wildlife Service to inform Congress on the costs associated with the implementation of this Act.

Lastly, I want to thank Representative Udall for his bipartisan manner in which he and his staff worked with me and my office. Rocky Flats, like all other cleanup sites, is bigger than partisan politics and this effort proves it. I would also like to specifically thank the Department of Energy for taking the expended cleanup and making it work within their budgetary guidelines; Kaiser-Hill for making the impossible, possible; and, I would like to say a great big thank you to all of the workers at Rocky Flats whose skill and dedication have made the reality of cleanup possible. Without the workers, even the best laid plans would be for naught.

Once cleanup and closure is accomplished in 2006, I look forward to re-turning to Rocky Flats for the dedication of the new Rocky Flats National Wildlife Refuge.

By Mrs. CLINTON (for herself, Mr. BAUCUS, Mr. BINGAMAN, Mr. DAYTON, Mr. DODD, Mr. LEAHY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 426. A bill to amend the Internal Revenue Code of 1986 to provide an income tax credit to holders of bonds financing new communications technologies, and for other purposes; to the Committee on Finance.

By Mrs. CLINTON (for herself, Ms. SNOWE, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 427. A bill to amend the Internal Revenue Code of 1986 to expand the work opportunity tax credit for small business jobs creation; to the Committee on Finance.

By Mrs. CLINTON (for herself, Mr. BAUCUS, Mr. BINGAMAN, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. LEAHY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 428. A bill to provide grants and other incentives to promote new communications technologies, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. CLINTON (for herself, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. LEAHY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 429. A bill to expand the Manufacturing Extension Program to bring the new economy to small and medium-sized businesses; to the Committee on Commerce, Science, and Transportation.

By Mrs. CLINTON (for herself, Mr. BAUCUS, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. LEAHY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 430. A bill to provide incentives to promote broadband telecommunications services in rural America, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. CLINTON (for herself, Mr. BINGAMAN, Ms. SNOWE, Mr. BAUCUS, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. LEAHY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 431. A bill to establish regional skills alliances, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CLINTON (for herself, Ms. SNOWE, Mr. BAUCUS, Mr. BINGAMAN, Mrs. BOXER, Mr. CORZINE, Mr. DAYTON, Mr. DODD, Mr. KENNEDY, Mr. LIEBERMAN, Ms. MIKULSKI, Mr. ROCKEFELLER, and Mr. SCHUMER):

S. 432. A bill to provide for business incubator activities, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mrs. CLINTON. Mr. President, I rise today to talk about bringing development and good jobs to upstate New York and other regions of our country that have not fully participated in our nation’s economic growth.

As I travel across the state and listen to the struggles of small business owners and workers, I’m often reminded of my father, who ran a small business and worked hard to provide for our family. I think about people like him who live in Plattsburgh and Buffalo, Rochester, Syracuse, Binghamton, Oneonta and every town and village in between. Most importantly, I think that—with the right ideas and a lot of hard work—we can create opportunities that will revitalize New York’s upstate economy, as well as in places like these all across our country.

Now as we all know, a historic shift has taken place in our economy and, to succeed in the twenty-first century new economy, businesses have to be innovative, creative and flexible. Workers have to have better education and training; and community leaders have to bring all sectors of our communities together to make their hometowns more hospitable to high tech industries.

Many parts of upstate New York have not been able to fully enjoy the fruits of the new knowledge based economy. Too many of our finest young people leave the state for better jobs elsewhere. Two summers ago, I talked to an upstate New York professor who told me what he thought was the biggest barrier to economic progress in the region: poor internet access. He pointed out that just a few years ago, railroad lines had made upstate, western and central New York the hub of the industrial economy in the 19th and 20th centuries, the region’s shortage of high speed internet lines would hold us back in the 21st Century.

Studies have shown, for example, that New York lags behind many states when it comes to the internet connections that are essential to commerce and communications in this new economy. But with leadership, and through partnerships, we can meet these challenges. All of us who care about the upstate economy, as well as in places like these all across our country.

That New York lags behind many states when it comes to the internet connections that are essential to commerce and communications in this new economy. But with leadership, and through partnerships, we can meet these challenges. All of us who care about the upstate economy, as well as the upstate economy, as well as in places like these all across our country.

This legislation is the result of a lot of conversations, and listening, and hard work by many people. These seven bills will help bring all of New York online and into the new economy by promoting entrepreneurship and innovation, and by knocking down some of the stubborn barriers to economic progress.
Just in the past three weeks, I have been in Rochester, and Rome and Watertown—Buffalo, and Niagara Falls meeting with business and labor leaders, academic, religious and civic leaders as well as citizens from all walks of life. I’ve also been meeting and talking with Republicans and Democratic colleagues here in the Congress—talking about the budget, and talking about the economies of New York and the rest of our nation.

I hope in this legislation I propose today reflects the views and values, not only of many New Yorkers, but also a number of my colleagues here in the Senate. We agree that we have to clear away some of the major obstacles to economic growth and that we must invest in the skills of our country’s greatest resources—our people.

After all, upstate New York is the region where America’s innovators, businesses and workers spun Thomas Edison into a roughshod, made available to all Americans, created the nation’s first business incubator and the pacemaker. Now, with a proud place in the economic history of our country, upstate New York deserves to be priority infrastructure as well. My legislation is designed to help bring all of New York to the forefront of the 21st century economy.

Specifically, I propose the creation of new technology bonds. Using federal tax credits, states and local governments will be able to issue such bonds to help local governments invest in the high-speed data lines they need to attract cutting edge businesses.

I propose creating new incentives to link industrial parks and small business incubators to the Internet—and bring access to high-speed internet connections called broadband. Too many families and businesses still have to dial long distance to get on the Internet. This is a new frontier in my plan. It includes a $100 million initiative to help businesses bring broadband to rural and underserved communities.

I also support research into the next generation of broadband technologies that could make access to the Internet even more cost-effective. We have to help small businesses make the most of the new technologies to maximize profits and productivity. Too many firms still do not know where to begin when it comes to connecting with the world online. Large businesses, we know, can spend millions on high-priced consultants to find out which computer and software systems to buy so they can best use the new technologies. But small, and even medium size businesses just can’t afford to do that.

So, as part of my package of incentives, I am introducing what I call a Technology Extension Program to help small and medium business owners. For years, the federal government has provided farmers advice and expertise through the Cooperative Extension system. More recently, the Department of Commerce has successfully helped small manufacturers with new technologies through the Manufacturing Extension Program. I think we can build on the successes of these programs and help small and medium business owners in the same way, creating partnerships with universities and community colleges to transform their innovations into jobs for more and more people.

New York is also a state blessed with some of the finest colleges and research institutions in the world. Yet, we haven’t been able to transform a lot of those discoveries into commercial ventures near where they have been made. That’s why my plan increases support for business incubators that can cut the time it takes for a breakthrough on the laboratory bench to make it to the factory and sales floor.

Of course one of the most important parts of this legislation focuses on investing in the skills of our people. We can create all the high tech jobs we need to bring business to Reno—but if they don’t have people to fill them it’s not going to mean anything, as I know that the President understands. That’s why I’ll fight to increase America’s investment in the Region. I propose the creation of Business Jobs Tax Credit to allow small firms in underserved communities across the country eligible because of population loss and low job growth—to claim a $3,000 tax credit for every employee they hire.

Mr. President, during my campaign I promised that my first legislation would focus on promoting economic growth in the upstate New York. That is why I am particularly pleased to be here in fulfillment of that pledge.

But I see my plan as a part of a larger partnership to spur job creation across our country, where good people and their communities are in need of help. According to the latest Labor Department statistics New York, for example, as a whole enjoyed a 2.3 percent job growth rate last year. But upstate New York’s job growth rate was about half of that—below the national average of 2.1 percent. Now behind those numbers are the lives and livelihoods of millions of people, and it is for those people that this legislation is being introduced. No parent should have to see a child leave his or her hometown simply because a good job can’t be found.

My co-sponsors and I know that the fight for new jobs for New York and America is a long and difficult one. We do not expect everything in this plan to pass in one year alone, or even in the exact form in which it is introduced. And standing alone, no single plan or Senator will be able to get the job done. But my colleagues and I understand we need a long-term partnership among people in government at all levels and with the private sector, business, labor, schools universities and others.

That is why I also support S. 41 introducing bipartisan Senators HATCH and BAUCUS, and supported by many Democrats and Republicans to make the research and development tax credit permanent and to promote entrepreneurship and innovation. It’s why I think we have to continue to tackle other stubborn barriers to economic growth like high utilities costs, high taxes and inadequate transportation and poor infrastructure. And of course, I can’t talk about upstate New York without mentioning the spectacular geography and cultural heritage that is not only a source of pride, but also as a valuable economic resource.

Mr. President, I would like to thank my colleagues, representing both parties, who have come together to join and support one or more of my bills today. I look forward to talking to more members of this chamber and the other body in the days and weeks ahead. I believe if we take good ideas and through hard work make them real, we can revitalise New York’s upstate economy and also give hope to the hardworking, deserving families of communities across our country. No one should have to leave their hometown, their families, and their roots to find a good job in America.

I ask unanimous consent that text of the bills, the summary of the bills, and articles relevant to the bills be printed in the RECORD.

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

S. 426

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 “Technology Bond Initiative of 2001”.

SEC. FINDINGS.

Congress finds the following:

(1) Access to high-speed Internet is as important to 21st Century businesses as access to the railroads and interstate highways was to businesses of the last century.

(2) Up to one-third of the United States population lacks access to high-speed Internet.

(3) Companies without access to high-speed Internet are unable to meet their market potential, just as a community cannot prosper if it doesn’t have high quality roads and bridges.

(4) Technology bonds would provide incentives to State and local governments to partner with the private sector to expand broadband deployment in their communities, especially underserved urban and rural areas.

SEC. 2. CREDIT TO HOLDERS OF QUALIFIED TECHNOLOGY BONDS.

(a) IN GENERAL.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to credits against tax) is amended by adding at the end the following new subpart:
(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a qualified technology bond on a credit allowance date of such bond which is issued after December 31, 2001, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year the amount determined under subsection (b).

(b) AMOUNT OF CREDIT.—

(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any qualified technology bond is the amount equal to the product of—

(A) the credit rate determined by the Secretary under paragraph (2) for the month in which such bond was issued, multiplied by

(B) the face amount of the bond held by the taxpayer on the credit allowance date.

(2) DETERMINATION.—During each calendar month, the Secretary shall determine a credit rate which shall apply to bonds issued during the following calendar month. The credit rate for any month is the percentage which the Secretary estimates will permit the issuance of qualified technology bonds without discount and without interest cost to the issuer.

(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

(1) the sum of the regular tax liability (as defined in section 26(b) plus the tax imposed by section 55, over

(2) the sum of the credits allowable under this part (other than this subpart and subpart C).

(d) QUALIFIED TECHNOLOGY BOND.—For purposes of this part—

(1) IN GENERAL.—The term ‘qualified technology bond’ means any bond issued as part of an issue if—

(A) at least 90 percent of the proceeds of such issue are to be used for any or a series of qualified projects,

(B) the bond is issued by a State or local government within the jurisdiction of which such project is located,

(C) the issuer designates such bond for purposes of this section,

(D) if it has obtained the written approval of the Secretary of Commerce for such project, and

(E) the term of each bond which is part of such issue does not exceed 15 years.

(2) QUALIFIED PROJECT.—

(A) IN GENERAL.—The term ‘qualified project’ means a project—

(i) to expand broadband telecommunication services in an area within the jurisdiction of a State or local government,

(ii) which is nominated by such State or local government for designation as a qualified project, and

(iii) which the Secretary of Commerce, after consultation with the Secretary of Housing and Urban Development designates as a qualified project or a series of qualified projects.

(B) DESIGNATION PREFERENCES.—With respect to designations under this section, preferences shall be given to—

(i) nominations of projects involving underserved urban or rural areas lacking access to high-speed Internet connections, and

(ii) nominations reflecting partnerships and comprehensive planning between State and local governments and the private sector.

(C) LIMITATIONS ON AMOUNT OF BONDS DESIGNATED.—

(1) NATIONAL LIMITATION.—There is a national technology bond limitation for each calendar year. Such limitation is $100,000,000 for 2002, 2003, 2004, 2005, and 2006, and, except as provided in paragraph (6), any calendar year thereafter.

(2) ALLOCATION OF LIMITATION.—The national technology bond limitation for a calendar year shall be allocated by the Secretary among qualified projects designated for such year.

(D) DESIGNATION SUBJECT TO LIMITATION AMOUNT.—The maximum aggregate face amount of bonds issued during any calendar year which may be designated under subsection (d)(1) with respect to any qualified project shall not exceed the limitation amount allocated to such project under paragraph (2) for such calendar year.

(E) CARRYOVER OF UNUSED LIMITATION.—If—

(i) the credit allowed under this section with respect to any qualified project is less than the limitation amount allocated to such project under paragraph (2) for such calendar year, or

(ii) the amount allocated to such project under paragraph (2) for any calendar year is increased by the amount of any carryover limitation from a prior calendar year,

the amount allocated to such project under paragraph (2) for any calendar year shall be increased by the amount of such excess.

(3) OTHER DEFINITIONS.—For purposes of this section—

(A) BOND.—The term ‘bond’ includes any obligation.

(B) CREDIT ALLOWANCE DATE.—The term ‘credit allowance date’ means, with respect to any issue, the last day of the 1-year period beginning on the date of issuance of such issue and the last day of each successive 1-year period thereafter.

(C) STATE.—The term ‘State’ means the several States and the District of Columbia.

(D) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

(E) OTHER SPECIAL RULES.—

(i) PARTPARTNERSHIP, S CORPORATION, AND OTHER PASS-THRU ENTITIES.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

(ii) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any qualified technology bond is held by a regulated investment company, the credit determined under subsection (a) shall be allocated to the shareholders of such company under procedures prescribed by the Secretary.

(F) TREATMENT FOR ESTIMATED TAX PURPOSES.—For purposes of sections 6654 and 6655, the credit allowed by this section to a taxpayer by reason of holding a qualified technology bond on a credit allowance date shall be treated as a payment of estimated tax made by the taxpayer on such date.

(G) REPORTING.—Issuers of qualified technology bonds shall submit reports similar to the reports required under section 149(e).

(H) REPORTING.—Subsection (d) of section 4619 of the Internal Revenue Code of 1986 (relating to returns regarding payments of interest) is amended by striking ‘or’ at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ‘, or’, and by adding at the end the following new paragraph:

(i) hired by a qualified small business employee.

(f) QUALIFIED SMALL BUSINESS EMPLOYEE.—Section 51(d)(1) of the Internal Revenue Code of 1986 is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following:

(i) QUALIFIED SMALL BUSINESS EMPLOYEE.

(1) IN GENERAL.—The term ‘qualified small business employee’ means any individual—

(i) hired by a qualified small business located in a development zone, or

(ii) hired by a qualified small business and who is certified by the designated local agency as residing in such a development zone.

(g) CREDIT ALLOWANCE.—The term ‘qualified small business’ means the term ‘qualified small business’ as defined in section 51(e)(2).

(h) DEVELOPMENT ZONE.—For purposes of this section—

(i) IN GENERAL.—The term ‘development zone’ means any area—
“(I) which is nominated under the procedures defined in sections 1400E(a)(1)(A) and 1400E(a)(4) for renewal communities;”

“(II) which the Secretary of Housing and Urban Development designates as a development zone, after consultation with the Secretary of Commerce;”

“(III) which has a population of not less than 20,000 but not more than 150,000;”

“(IV) which has a poverty rate not less than 20 percent (within the meaning of section 1400E(c)(3));”

“(V) which has a 1-year period beginning with the last day of the 1-year period with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the last day of the 1-year period with respect to the area during such period;”

“(VI) which, during the period beginning January 1, 1996, and ending with the date of the enactment of this Act, has a net out-migration of inhabitants, or other population loss, from the area of at least 2 percent of the population of the area during such period;”

“(II) NUMBER OF DESIGNATIONS.—The Secretary of Housing and Urban Development may not designate more than 100 development zones.

“(D) SPECIAL RULES FOR DETERMINING AMOUNT OF CREDIT.—For purposes of applying this subpart to wages paid or incurred to any qualified wages attributable to service rendered during the 1-year period beginning with the last day of the 1-year period with respect to such individual determined under subsection (a), the Secretary may:

“(i) apply a 5-year average annual rate of job growth of less than 2 percent during any 3 years of the preceding 5-year period; and

“(ii) count with respect to any individual determined under subsection (a) any wages paid or incurred to any qualified wages attributable to service rendered during the 1-year period beginning with the last day of the 1-year period with respect to such individual determined under subsection (a), as the case may be.

“SEC. 3. FACILITATION OF DEPLOYMENT OF BROADBAND TELECOMMUNICATIONS SERVICES TO UNDERSERVED RURAL AREAS.

“(a) IN GENERAL.—In order to facilitate the deployment of broadband telecommunications networks and capabilities (including wireless and satellite networks and capabilities) to underserved rural areas, the Secretary shall carry out activities under both paragraphs (1) and (2).

“(b) ELIGIBLE RECIPIENTS.—For purposes of this section, an eligible recipient of a grant or loan guarantee under subsection (a) is any person or entity selected by the Secretary in accordance with such procedures as the Secretary shall establish.

“(c) UNDERSERVED RURAL AREAS.—The Secretary shall identify the areas that constitute underserved rural areas for purposes of this section.

“(d) EMPHASIS ON PARTICULAR CAPABILITIES.—In selecting a person or entity as an eligible recipient of a grant or loan guarantee under subsection (a), the Secretary shall give particular emphasis to persons or entities that propose to use the grant or the proceeds of the loan guaranteed, as the case may be, to leverage non-Federal resources to do one or more of the following:

“(1) Provide underserved rural areas with access to Internet service by local telephone.

“(2) Demonstrate, in novel or emerging technologies to bring broadband telecommunications services to underserved rural areas on a cost-effective basis.

“(3) Use broadband telecommunication services to stimulate economic development, such as providing connections between and among businesses located in such areas and companies providing high-speed telecommunication services links to small businesses.

“(e) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after the date of the enactment of this Act. 

“SEC. 4. AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Department of Commerce for purposes of grants and loan guarantees under this section $100,000,000 for fiscal year 2002, and such sums as are necessary for each fiscal year thereafter.

“SEC. 5. COMPLIANCE WITH FEDERAL CREDIT REFORM ACT OF 1990.—The Secretary shall ensure that any grants provided under this Act are subject to compliance with the Federal Credit Reform Act of 1990.”
activity that carries out the purpose of this section, including such activities as the following:

(1) Assist small businesses and medium-sized businesses to address their technical needs for the application of the latest technology, improvement of infrastructure, and use of best business practices.

(2) Collaborate with institutions of higher education and laboratories located in the region, transfer technologies to small businesses and medium-sized businesses located in the region, and create jobs and increase production in surrounding areas.

(f) ADDITIONAL ADMINISTRATIVE AUTHORITY.—

(1) COST-SHARING.—The Secretary may require the recipient of a grant to defray, out of funds available from sources other than the grant, a specified portion of the operating expenses of the recipient.

(2) ADDITIONAL TERMS AND CONDITIONS.—

The Secretary, in awarding a grant, may impose any other terms and conditions for the use of the proceeds of the grant that the Secretary determines appropriate for carrying out the purposes of this section and to protect the interests of the United States.

(g) DEFINITIONS OF SMALL BUSINESS AND MEDIUM-SIZED BUSINESS.—

(1) SECRETARY TO PRESCRIBE.—The Secretary shall prescribe the definitions of the terms "small business" and "medium-sized business" for the purpose of this section.

(2) SMALL BUSINESS STANDARDS.—In defining the term "small business", the Secretary shall apply the standards applicable for the definition of the term "small-business concern" under section 3 of the Small Business Act (15 U.S.C. 632).

(h) REGULATIONS.—The Secretary shall prescribe such regulations as are necessary for the administration of this section.

(i) AUTHORIZATION OF APPROPRIATIONS.—

There is authorized to be appropriated for the Department of Commerce for carrying out this section $125,000,000 for fiscal year 2001, and such sums as are necessary for each fiscal year thereafter.

SEC. 101. AUTHORIZATION.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Commerce, shall award grants to eligible entities described in subsection (b) to assist such entities to improve the job skills necessary for employment in specific industries.

(b) ELIGIBLE ENTITIES.—

(1) $1 shall be provided by the businesses participating in the entity; and

(2) $1 shall be provided by the State or local government involved.

SEC. 102. USE OF AMOUNTS.

(a) IN GENERAL.—The Secretary may not award a grant under this title to an eligible entity unless such entity agrees to use amounts received under this title to effectuate the purposes of this title and to improve the job skills necessary for employment in the industry with respect to which such entity was established.

(b) CONTRACT OF PROGRAM.—

(1) IN GENERAL.—In carrying out the program described in subsection (a), the eligible entity may provide for the following:

(A) An assessment of training and job skill needs for the industry;

(B) The development of a sequence of skill standards that are benchmarked to advanced industry practices;

(C) The development of curriculum and training methods, including, where appropriate, e-learning or technology-based training;

(D) The purchase, lease, or receipt of donations of training equipment;

(E) The identification of training providers and the development of partnerships between the industry and educational institutions, including community colleges;

(F) The development of apprenticeship programs;

(G) The development of training programs for retrainers, including dislocated workers;

(H) The development of training plans for businesses; and

(I) The development of the membership of the entity.

(2) ADDITIONAL REQUIREMENT.—In carrying out the program described in subsection (a), the eligible entity shall provide for the development and tracking of performance outcome measures for the program and the training providers involved in the program.

(c) ADMINISTRATIVE COSTS.—The eligible entity may use not more than 10 percent of the amount of a grant to pay for administrative costs associated with the program described in subsection (a).

SEC. 103. REQUISITION OF MATCHING FUNDS.

(a) IN GENERAL.—The Secretary may not award a grant under section 101 to an eligible entity unless such entity agrees that the amount of a grant provided under this title shall be matched with non-Federal contributions toward the costs of carrying out activities under this title in an amount that is not less than $2 for each $1 of Federal funds provided under this title.

(b) LIMITATION.

(1) $1 shall be provided by the businesses participating in the entity; and

(2) $1 shall be provided by the State or local government involved.

(c) OTHER CONTRIBUTIONS.

(1) EQUIPMENT.—Equipment donations to facilities that are not owned or operated by the members of the eligible entity involved and that are shared by such members may be included in determining compliance with subsection (a).

(d) LIMITATION.—An eligible entity may not include in-kind contributions in complying with the requirement of subsection (a). The Secretary may consider such donations in rating applications.

SEC. 104. LIMIT ON ADMINISTRATIVE EXPENSES.

The Secretary may use not more than 5 percent of the amounts made available to carry out this title to pay the Federal administrative expenses associated with awarding grants under this title.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—The Secretary may authorize to carry out this title $50,000,000 for each of the fiscal years 2002, 2003, and 2004, and such sums as are necessary for each fiscal year thereafter.

TITLES II—PLANNING GRANTS

SEC. 201. AUTHORIZATION.

(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Commerce,
shall award grants to States to enable such states to assist businesses, organizations, and agencies described in section 101(b) in conducting planning to form consortia described under subsection (a).

(b) MAXIMUM AMOUNT OF GRANT.—The amount of a grant awarded to a State under subsection (a) may not exceed $500,000 for any fiscal year.

SEC. 202. APPLICATION.

The Secretary may not award a grant under section 201 to a State unless such State submits to the Secretary an application at such time, in such manner, and containing such information as the Secretary may reasonably require.

SEC. 203. REQUIREMENT OF MATCHING FUNDS.

The Secretary may not award a grant under section 201 to a State unless such State agrees that it will make available non-Federal contributions toward the costs of carrying out activities under this title in an amount that is not less than $1 for each $1 of Federal funds provided under the grant.

SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this title $5,000,000 for fiscal year 2002.

S. 422

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 “Entrepreneurial Incubators Development Act of 2001.”

SEC. 2. FINDINGS.

Congress finds the following:

(1) While small businesses have been an engine of economic growth over the past decade, they often lack access to the technology available to larger businesses.

(2) Business incubators have proven an effective source of economic growth in the States.

(3) Scientific discoveries need to be quickly converted into job and community ventures.

SEC. 3. GRANTS FOR SUPPORT OF BUSINESS INCUBATOR ACTIVITIES.

(a) PURPOSE.—It is the purpose of this section to encourage entrepreneurial creativity and risk taking through the support of the furnishing of business incubator services for newly established small businesses and medium-sized businesses.

(b) GENERAL PROVISIONS.—To achieve the purpose of this section, the Secretary of Commerce (in this section, referred to as the “Secretary”) shall carry out a program to provide funds for or to enter into cooperative, financial assistance for the establishment and support of entities that provide business incubator services in support of the initiation and initial sustainment of business activities by newly established small businesses and medium-sized businesses.

(c) AWARDS OF GRANTS.—The Secretary shall prescribe the eligibility requirements for the awarding of grants under this section.

(d) COMPETITIVE SELECTION.—The Secretary shall use a competitive process for the awarding of grants under this section and, under that process, select recipients of the grant on the basis of merit, with priority given to underserved rural and urban communities.

(e) APPLICATIONS FOR GRANTS.—The Secretary may require the preparation of applications required for grants under this section.

(f) ADDITIONAL ADMINISTRATIVE AUTHORITIES.—The Secretary may require the recipient of a grant under this section to defray a specific level of its operating expenses for business incubator services out of funds available from sources other than the Federal Government.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purpose of this section and to provide for the establishment, in each of fiscal years 2002 and 2003, $50,000,000 for each fiscal year, and $100,000,000 for fiscal year 2004, and such sums as may be necessary for the establishment, in each of fiscal years 2005 through 2007, $200,000,000 for each fiscal year.

SEC. 4. CONGRESSIONAL RECORD — S1766 — March 1, 2001

ECONOMIC DEVELOPMENT PROPOSALS FOR THE NEW ECONOMY—SUMMARY

In too many parts of America, many of our communities are plagued by low job growth and economic stagnation. These communities, which historically have been the backbone of our nation, are deeply concerned about their economic prospects. This package of legislation, by encouraging new technology companies to move to places where they can take advantage of a well-educated workforce and a higher education infrastructure that is often available and underutilized.

Technology Bonds: In order to help states and local governments invest in technology companies, this proposal invests $100 million a year in a new type of tax incentive: Technology Bonds. Localities would be allowed to use Technology Bonds to fund needed access to Internet services in their communities. These bonds would provide a significant incentive to states and local governments because they would not come at the taxpayers’ expense. In the long run, this would make no payments until maturity (15 years in the future). Because the program directs its benefits to communities, it will better ensure that higher need communities receive the benefits.

Small Business Jobs Tax Credit: This tax credit for small businesses will promote jobs in smaller communities. This proposal will provide a tax credit for wages, up to $3,000 per employee, for small that locate in communities that are losing population, have low job growth rates and high poverty rates. Specifically, this proposal creates a 10% tax credit up to $15,000 per year, which is a value of up to $3,000 per employee, companies could receive the credit for up to five years. This initiative is aimed specifically at small businesses targeting communities with a population over 5,000. The program would designate roughly 100 communities and could subsidize roughly 8,000 jobs for each area.

Broadband Expansion Grant Initiative of 2001: This proposal complements Tech Bonds by creating a $10 million initiative to accelerate private-sector deployment of broadband networks in underserved rural communities. Right now many families have to make long distance calls to connect to the Internet. This initiative would invest $100 million in grants and loan guarantees to ensure that the Internet is more cost-effective and reliable. It would also provide aid in preparing corporate charters, marketing, including advertising.

SUMMARY

In the early part of this century, the federal government helped farmers access new agricultural technologies through the Agriculture Extension Program at the Department of Agriculture. More recently, the Department of Commerce has helped small manufacturers develop new technologies through its Manufacturing Extension Program. Now it is time to provide small and medium-sized businesses with a technology extension program that provides the latest technology to improve productivity and promote economic growth. This initiative will build upon the Manufacturing Extension Program to address critical needs in areas such as technology applications, infrastructure upgrades and business practices, and other issues. The program would also work with universities and laboratories to transfer technologies to small and medium-sized businesses that will help them move products into markets faster. The program would be funded at $25 million the first year, growing to $125 million in fiscal year 2002.

BROADBAND RURAL RESEARCH INVESTMENT ACT OF 2001: This proposal targets $25 million in funding for research to ensure the availability of broadband in rural areas. This proposal supports additional investments at the National Science Foundation for research in new broadband technology to increase the availability of broadband telecommunication services in rural areas.

Regional Skills Alliances: Throughout the nation, high-tech companies often consider recruiting employees from overseas because they cannot find enough of the kind of information technology workers remains a significant problem throughout the state. Too many small firms do not have the resources to train the workers they need. This proposal creates Regional Skills Alliances to bring businesses, schools, and community college together to help create effective programs to ensure workers have the skills needed as the nation moves into the new economy. Without some kind of support to create alliances, small firms just don’t have the time or resources to collaborate with other firms. The proposal is based on existing RSA’s report that they would not have been able to get off the ground without an
independent, staffed entity to operate the alliance.

Entrepreneurial Incubators: This initiative would help entrepreneurs who have good ideas but cannot afford lawyers and consultants to access the help they need with legal complexities such as preparing corporate charters, partnership agreements, contracts, patents, and federal policies and basic marketing strategies. This will especially help areas where universities can be key collaborators in entrepreneurial incubators. Upstate New York had an initial investment of $50 million and up to $200 million the following years, to increase business incubators nationally by a third.

[From the Associated Press]

HOW DOES UPSTATE KEEP BEST AND BRIGHTEST?

(Albany, N.Y.)—Jaclyn Welcher’s college degree turned out to be a one-way ticket out of upstate New York.

After graduating from Siena College near Albany in 1996, Welcher tried to apply her market research degree to a job around her parents’ home in Queensbury. It didn’t work out.

“I said, ‘There’s no point in this at all,’” Welcher recalled, “‘I’m outta here!’ Welcher—now 24 and working in Los Angeles—is far from the only twenty-something to leave upstate New York.

Young New Yorkers have long been leaving for bigger paychecks and jazzier lifestyles in places like Dallas, Austin and Atlanta. The exodus is considered a serious problem because young people are a vital cog in local economies—they take entry-level jobs, spend money and add vibrancy to an area. Employers and local officials have become concerned enough to try out some new strategies to attract and retain young workers.

Updated U.S. Census figures tracking local population changes by age won’t be available until later this year. However, interviews with recent college graduates, employers and local leaders across New York reveal a widespread perception that upstate areas struggle in the competition for young workers.

Part of the problem is higher salaries offered elsewhere for certain jobs. For instance, the starting salary for a computer engineer in Rochester area was $45,910; it was $62,990 in the Raleigh-Durham-Chapel Hill area of North Carolina, according to federal Bureau of Labor Statistics data.

Lower pay can be mitigated by a relatively inexpensive costs of living—three-bedroom houses in Buffalo or Syracuse areas can be purchased for under $100,000, Albany Molecular Research Inc. Vice President James Grates said when he tells potential recruits in Berkeley, Calif., that average wages in the Albany area can go for $90,000-$110,000—or two or three times less than similar houses in the Bay Area of California—“their jaws drop to the table.”

But inexpensive housing is a bigger draw for workers ready to settle down and have a family. People in their 20s have been known to have other priorities—like being around other people in their 20s.

“California, Boston, Texas—they have some glitter to them. Fancy nightclubs, bars, sports games,” said one 20-something. “It’s not that . . . the perception is here we don’t have as much of that,” said Rochester Institute of Technology President Albert Simone.

Takeda and Jonathon Cancro reports that there are so many of his fellow University of Buffalo graduates that he’s helping start a local chapter of the college’s alumni association so people would know others from Buffalo connection, Takeda said, is the number of bars catering to Bills fans.

“There are tons of people down here from New York,” said the 30-year-old Long Island native. “Not just UB.”

The twentysomething exodus has been serious enough to bring together politicians and business leaders. Erie County Executive Joel Giambra ran a successful campaign in 1999 on the slogan “Keep Our Kids.” Sen. Hillary Rodham Clinton also lamented the loss of young people from New York while on the campaign trail last year.

Employers have noticed too, and have tried to sweeten the pot for young people. A survey last year by the Business Council of New York State employers bumping up starting pay and hastening first raises.

Companies are experimenting with benefits that might be attractive to younger, childless workers. Media Logic, a marketing and advertising firm in Albany, includes yoga and stress classes as part of its employee benefits package.

Meanwhile, business groups in several cities are strengthening their links to local colleges in hopes in grabbing graduates to fill job slots.

In Syracuse, the Metropolitan Development Association is spending $550,000 in state grant money for summer internship programs aimed at keeping area college students in the region after graduation. Under the plan, businesses in a number of area schools—including RIT, the University of Rochester and the state universities at Geneseo and Brockport—have met with local employers to find out what factors make it easier for small- and medium-sized businesses to recruit local talent.

In Albany, the Center for Economic Growth plans to bring together business leaders, students and maybe even guidance counselors to start dialogues on what young graduates look for in an employer.

“[To tell a young minted college graduate] the reason that they should come to work for my company is because I have this incredible 401k plan—it’s probably not going to raise their eyebrows and make them go ‘Yahoo!’” said center President Kolly Lovell. Also, there are new signs of nightlife in many old upstate cities, be it brew pubs or couch-crumbed coffee houses. Buffalo’s Chippewa Street might be the most dramatic transformation—once notorious for its seedy trade, it is now a gentrified strip packed with bars, dance clubs and restaurants.

Syracuse also is showing signs of rebirth, said center President Walter Welcher. The 36-year-old lawyer is helping start a unique program to draw young people back to his hometown. Under the “Come Home to Syracuse” program volunteers will work off of alumni lists from local colleges and high schools, contacting young expatriates to see if they want to come back. The volunteers will help returnees network for jobs.

A website is planned and there’s already a toll-free number: 1-866-BAK-2SYR. Brown seems qualified for the job. He was once one of those “escapees” Welcher says got away from the “hubub but missed his home community.” At some point in his life,” he said, “you realize there’s more to life than 20 different Ethiopian restaurants.”

[From the New York Post, Mar. 1, 2001]

NEW YORK’S JOB GROWTH AGAIN TOPS U.S.一点也不奇怪——有些地方失业率增加

(BY KENNETH LOVETT)

ALBANY—Spurred by a surge in New York City, job growth in the state surpassed the nation’s average, for the second straight year, in 2000.

The total number of jobs in the state grew by 2.3 percent last year, compared with the national average of 2.1 percent, the state Labor Department reported yesterday. New York’s 4.2 percent unemployment rate in January matched the nation’s for the first time in nearly a decade.

The city had a 5.6 percent unemployment rate in January, down from 5.9 percent in December and 6.4 percent a year ago.

Overall, New York had 7.168 million private-sector jobs in January, the highest number on record.

“Our policies have better positioned New York to fend off a national economic slowdown,” Gov. Pataki said. Mayor Giuliani recently said the city was a “critical economic engine” for the state as a whole. The numbers seem to back him up.

New York City saw a 3.3 percent increase in jobs last year, by far the largest jump in the state.

Upstate saw 1.2 percent growth, significantly lower than the state average.

Large urban regions like Buffalo-Niagara Falls, Syracuse and Rochester saw jobs grow by only .3 percent, .9 percent and 1.1 percent, respectively.

The health of the upstate economy looms as a major issue in next year’s gubernatorial race. Republican Rick Lazio drew heavy criticism from the region’s economic woes in his failed Senate bid against Hillary Rodham Clinton.

I had not anticipated the upstate economy as one of the primary issues they will use against Pataki next year.

MR. BAUCUS. Mr. President, I rise today to discuss a growing crisis in America’s rural communities. We live in a land of bulging cities, large surpluses, record unemployment, and average wages rising across the country. However, this wealth is not universal across the United States. Our rural areas are suffering the exact opposite effect with large outmigration and negative job growth. My highest priority is reversing this trend, stimulating economic growth and bringing higher paying jobs to my home State of Montana. I am pleased to join Senator Clinton in introducing economic development legislation that is targeted to the areas of greatest need, our rural communities.

Our Nation has enjoyed unparalleled economic prosperity during the past decade. However, the boom on Wall Street has not extended to Main Street, MT. The rural areas of America and Montana have endured increased unemployment, the loss of family farms, and the transition from the traditional economy based on natural resources to a new economy where information and technology are highly valued. The effects have been disastrous. Small businesses, which are essential components of our economy, have been driven under as people have been forced to make the most difficult choice of all and leave their home towns seeking a new and better paying job.

In Montana, the problems are actual and pervasive. Statewide, three-quarters of the state’s counties have been declared under as people have been forced to make the most difficult choice of all and leave their home towns seeking a new and better paying job.

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there is not a company in existence that could finance the investment necessary to bring essential technology to sparsely populated areas. Many of our small towns are left without hope because they are faced with no alternative to the current situation. The towns are now, and will also compete in the new economy are just not available to rural communities and the means to attain them do not exist. If rural America is to survive, we are charged with finding a way for these communities to compete on an equal footing with the more populous areas of this country and the world.

That is the intent of the legislative package that we are introducing today. In the same spirit that brought electricity and basic telephone service to our rural communities, we propose a mechanism for bringing broadband capabilities, cutting-edge technology equipment, and incentives for bringing new business to communities and regions that have been left behind.

The issues addressed by this legislation strike to the heart of the most pressing problems in my home State of Montana. Especially in Eastern Montana, the so-called “Digital Divide” is very real, and it presents a significant obstacle to economic growth and prosperity. Specifically, the Broadband Deployment Initiative and the Technology Extension Program will not only provide an incentive to the private sector to bring cutting-edge technology to the most rural areas, they will also provide the technical expertise to allow small and medium businesses to use these new tools to their maximum potential. They will be fully equipped to compete in a global economy.

I look forward to seeing this bipartisan legislation through Congress and enacted into law. I encourage my colleagues to assist us in this endeavor. It is our duty to ensure that all regions of America are given the opportunity to achieve economic prosperity and have access to the necessary instruments of success.

By Mr. DASCHLE (for himself, Mr. JOHNSON and Mr. HAGEL): S. 434. A bill to provide equitable compensation to the Yankton Sioux Tribe of South Dakota and the Santee Sioux Tribe of Nebraska for the loss of value of certain lands; to authorize implementation of a mechanism for bringing broadband electricity and basic telephone service to our rural communities, we propose a package that we are introducing today. In the same spirit that brought electricity and basic telephone service to our rural communities, we propose a mechanism for bringing broadband capability, cutting-edge technology equipment, and incentives for bringing new business to communities and regions that have been left behind.

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The issues addressed by this legislation strike to the heart of the most pressing problems in my home State of Montana. Especially in Eastern Montana, the so-called “Digital Divide” is very real, and it presents a significant obstacle to economic growth and prosperity. Specifically, the Broadband Deployment Initiative and the Technology Extension Program will not only provide an incentive to the private sector to bring cutting-edge technology to the most rural areas, they will also provide the technical expertise to allow small and medium businesses to use these new tools to their maximum potential. They will be fully equipped to compete in a global economy.

I look forward to seeing this bipartisan legislation through Congress and enacted into law. I encourage my colleagues to assist us in this endeavor. It is our duty to ensure that all regions of America are given the opportunity to achieve economic prosperity and have access to the necessary instruments of success.

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the eastern boundary of the Santee Sioux Tribe;
(5) although the Fort Randall and Gavins Point projects are major components of the Pick-Sloan Missouri River System, and contribute to the economic development and growth of the United States by generating a substantial amount of hydropower and improving a substantial quantity of water, the requirements of the Yankton Sioux Tribe and the Santee Sioux Tribe remain undeveloped;
(6) the United States Army Corps of Engineers and the Santee Sioux Tribe did not receive just compensation for the taking of productive agricultural land through condemnation proceedings;
(7) the Federal Government did not give the Yankton Sioux Tribe or the Santee Sioux Tribe an opportunity to receive compensation for direct damages from the Pick-Sloan program, even though the Federal Government gave 5 Indian reservations upstream from the reservations of those Indian tribes such an opportunity;
(8) the Yankton Sioux Tribe and the Santee Sioux Tribe did not receive just compensation for the taking of productive agriculural land through condemnation referred to in paragraph (6);
(9) the agreement that the United States entered into with the Yankton Sioux Tribe and the Santee Sioux Tribe to provide for the taking for the Pick-Sloan program did not take into account the increase in property values over the years between the date of taking and the date of settlement; and
(10) in addition to the financial compensation provided under the settlement agreements referred to in paragraph (9)—
(A) the Yankton Sioux Tribe should receive an aggregate amount equal to $2,023,743 for the loss of 2,851.40 acres of Indian land taken for the Fort Randall Dam and Reservoir of the Pick-Sloan program;
(B) the Santee Sioux Tribe should receive an aggregate amount equal to $4,789,010 for the loss of 903.10 acres of Indian land located near the Santee village.

SEC. 3. DEFINITIONS.
In this Act:
(1) INDIAN TRIBE.—The term ‘‘Indian tribe’’ has the meaning given that term in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450d(e)).
(2) YANKTON SIOUX TRIBE.—The term ‘‘Santee Sioux Tribe’’ means the Santee Sioux Tribe of Nebraska.
(3) YANKTON SIOUX TRIBE.—The term ‘‘Yankton Sioux Tribe’’ means the Yankton Sioux Tribe located near the Santee village.

SEC. 4. YANKTON SIOUX TRIBE DEVELOPMENT TRUST FUND.
(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ‘‘Yankton Sioux Tribe Development Trust Fund’’ (referred to in this section as the ‘‘Fund’’). The Fund shall consist of any amounts deposited in the Fund under this Act.
(b) FUNDING.—On the first day of the 11th fiscal year that begins after the date of enactment of this Act, the Secretary of the Treasury shall deposit into the Fund established under this subsection—
(1) $2,023,743; and
(2) an additional amount that equals the amount of interest that would have accrued on the amount described in paragraph (1) if such amount had been invested in interest-bearing obligations of the United States, or in obligations guaranteed as to both principal and interest by the United States, on the first day of each fiscal year that begins after the date of enactment of this Act and compounded annually thereafter.
(c) INVESTMENT OF TRUST FUND.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in the Secretary of Treasury’s judgment, required for that fiscal year for the purpose of making payments to the Yankton Sioux Tribe, as such payments are requested by that Indian tribe pursuant to tribal resolution.
(d) PAYMENT OF INTEREST TO TRIBES.—
(1) WITHDRAWAL OF INTEREST.—Beginning on the first day of the 11th fiscal year after the date of enactment of this Act and, on the first day of each fiscal year thereafter, the Secretary of the Treasury shall withdraw the aggregate amount of interest deposited into the Fund for that fiscal year and transfer that amount to the Secretary of the Interior for use in accordance with paragraph (2).
(2) AMOUNTS TRANSFERRED.—Not later than 24 months after the date of enactment of this Act, the Secretary of the Treasury shall withdraw the amount transferred under paragraph (1) for the purpose of making payments to the Yankton Sioux Tribe, as such payments are requested by that Indian tribe pursuant to tribal resolution.
(e) USE OF PAYMENTS.—The Secretary of the Treasury may not transfer or withdraw any amount deposited under subsection (b).

SEC. 5. SANTEE SIOUX TRIBE DEVELOPMENT TRUST FUND.
(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ‘‘Santee Sioux Tribe Development Trust Fund’’ (referred to in this section as the ‘‘Fund’’). The Fund shall consist of any amounts deposited in the Fund under this Act.
(b) FUNDING.—On the first day of the 11th fiscal year that begins after the date of enactment of this Act, the Secretary of the Treasury shall deposit into the Fund established under this subsection—
(1) $4,789,010; and
(2) an additional amount that equals the amount of interest that would have accrued on the amount described in paragraph (1) if such amount had been invested in interest-bearing obligations of the United States, or in obligations guaranteed as to both principal and interest by the United States, on the first day of each fiscal year that begins after the date of enactment of this Act and compounded annually thereafter.
(c) INVESTMENT OF TRUST FUND.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in the Secretary of Treasury’s judgment, required for that fiscal year for the purpose of making payments to the Santee Sioux Tribe, as such payments are requested by that Indian tribe pursuant to tribal resolution.
(d) PAYMENT OF INTEREST TO TRIBES.—
(1) WITHDRAWAL OF INTEREST.—Beginning
...
S1770

March 1, 2001

Mr. KOHL. Mr. President, today I introduce the Child Safety Lock Act of 2001, along with Senators Chafee, Durbin, Schumer, Reed, Corzine, Boxer and Kerry. Our legislation measures will childen's lives by reducing the senseless tragedies that result when children get their hands on improperly stored and unlocked handguns.

Each year, teenagers and children are involved in more than 10,000 accidental shootings in which close to 800 people die. In addition, every year 1,300 children use firearms to commit suicide. Safety locks can be effective in deterring some of these incidents and in preventing others.

The sad truth is that we are inviting disaster every time an unlocked gun is stored but is still easily accessible to children. In fact, guns are kept in 43 percent of American households with children. In 22 percent of those households, the guns are kept loaded. And, in one out of every eight of those homes the guns are left unlocked.

That is wrong. It is unacceptable. But these cold statistics do not begin to describe in human terms the daily tragedies that could be prevented by the use of a safety lock.

Take, for example, the story of a teenage girl in Milwaukee last year who was killed when the gun her boyfriend found accidentally went off, shooting her in the chest. A lock certainly would have prevented this tragedy. A lock would have also saved both the three-year-old in New Orleans who shot himself in the head with his mother's pistol in Pennsylvania last October. Of course, no one will ever forget the story of six-year-old Kayla Rolland in Michigan who was killed last year by a classmate who had brought a gun to school. The stories could go on for pages, each more tragic than the last, but the most tragic fact of all is that many of them were entirely preventable.

Our legislation will help address this problem. It is simple, effective and straightforward. It requires that a child safety device, or trigger lock, be sold with every handgun. These devices vary in form, but the most common resembles a padlock that wraps around the trigger of the handgun and immobilizes it. Trigger locks are already used by tens of thousands of responsible gun owners to protect their firearms from unauthorized use, and they can be purchased in virtually any gun store for less than ten dollars.

This year, for the first time, this child safety lock bill includes standards for the safety locks, building on the work of Senator Kerry on this issue. A recent study by the Consumer Product Safety Commission found a recent recall by the safety lock manufacturers conclusively demonstrates that child safety locks are not being made over the certification of Mexico's efforts in combating illicit drugs.

Certifying Mexico has been very difficult to do in light of the upsetting statistics showing that Mexico is a major point of production and transit for drugs entering the United States. I have been concerned about the influence of powerful drug cartels in Mexico. In fact, in 1998, I joined 44 other Senators in voting in favor of decertifying Mexico.

Nevertheless, I join many of my colleagues in the House who are using this certification process in an effort to combat the illicit drug trade in Mexico. This alternative will give both countries a way to work together for real results. Make no mistake, this will not give Mexico or any other country a free pass on fighting illicit drugs. In the contrary, our bill encourages the adoption of tough bilateral agreements that specifically spells out issues that must be addressed in the agreements.

We specifically require the adoption of "timetables and objective and measurable standards." And we require semi-annual reports assessing the progress of both countries under the bilateral agreement. If progress is not made, the country returns to the annual certification process, which involves the possibility of sanctions.

This issue is particularly important to those of us from border states, which are hit so hard by the traffic in illegal drugs. I look forward to working with my colleagues on a bipartisan and comprehensive solution.

By Mr. KOHL (for himself, Mr. Chafee, Mrs. Boxer, Mr. Durbin, Mr. Schumer, Mr. Reed, Mr. Kerry, and Mr. Corzine):

S. 436. A bill to amend chapter 44 of title 18, United States Code, to require the provision of a child safety lock in connection with the transfer of a handgun and provide safety standards for child safety locks; to the Committee on the Judiciary.

Today, Senator Gramm and I are re-introducing legislation which we hope will lead to a realistic way of addressing the international drug problem. By replacing confrontations with cooperation, we are encouraging nations to join the United States in fighting drugs while eliminating a process which maintains our relations with allies such as Mexico.

Our legislation would exempt from the certification process those countries that have a bilateral agreement with the United States. These agreements would have to address issues relating to the control of illicit drugs— including production, distribution, interdiction, demand reduction, border security, and cooperation among law enforcement agencies.

This alternative will give both countries a way to work together for real goals with real results. Make no mistake, this will not give Mexico or any other country a free pass on fighting illicit drugs. In the contrary, our bill encourages the adoption of tough bilateral agreements that specifically spells out issues that must be addressed in the agreements.

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Each year, teenagers and children are involved in more than 10,000 accidental shootings in which close to 800 people die. In addition, every year 1,300 children use firearms to commit suicide. Safety locks can be effective in deter...
well enough. A lock that is easily picked or one that breaks apart with little force defeats the safety purpose of this bill. We wouldn’t use a lock that is less than foolproof to guard our most valuable possessions. We shouldn’t use defective locks to protect what is most valuable to us—our children.

A child safety lock provision passed the Senate by an overwhelming vote of 78-20 last session as an amendment during the juvenile justice debate. This proposal is as popular with the rest of the country as it was with the last Senate. Polls show that between 75 and 80 percent of the American public, including gun owners, favor the mandatory sale of child safety locks with guns. When I surveyed almost 500 of Wisconsin’s police chiefs and sheriffs last summer, approximately 90 percent responded that child safety locks should be sold with each gun.

In addition, according to published reports from last year’s confirmation hearings, President Bush indicated that he supports the idea of mandatory child safety locks and would sign a bill that required the sale of a child safety lock with all new handguns. Attorney General Ashcroft confirmed that the administration supports the mandatory sale of child safety locks during his confirmation hearings before the Senate Judiciary Committee earlier this year.

This legislation is necessary to ensure that safety locks are provided with all handguns and to keep the pressure on handgun manufacturers to put safety first. We already protect children by requiring that seat belts be installed in all automobiles and that childproof safety caps be provided on medicine bottles. We should be no less vigilant when it comes to gun safety.

I ask unanimous consent that the full 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. 436

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 “Child Safety Lock Act of 2001”.

SEC. 2. REQUIREMENT OF CHILD HANDGUN SAFETY LOCKS.

(a) DEFINITIONS.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

(3) the term ‘locking device’ means a device or locking mechanism—

(A) that—

(i) if installed on a firearm and secured by means of a key or a mechanically, electromechanically, or electromechanically operated combination lock, is designed to prevent the firearm from being discharged without first deactivating or removing the device by means of a key or mechanically, electromechanically, or electromechanically operated combination lock; and

(ii) if incorporated into the design of a firearm, is designed to prevent discharge of the firearm by any person who does not have access to the key or other device designed to unlock the mechanism and thereby allow discharge of the firearm; or

(iii) is a safe, gun safe, gun case, lock box, or other device that is designed to store a firearm and that is designed to be unlocked only by means of a key, a combination, or other similar means; and

(B) that is approved by a licensed firearm manufacturer for use on the handgun with which the device or locking mechanism is sold, delivered, or transferred.

(b) UNLAWFUL ACTS.—In general—

(1) Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

(‘‘(q) LOCKING DEVICES.—

(1) In general.—The term ‘locking device’ as defined under section 921(a)(1) shall include any locking device, including a locking device activated by a key or other device designed to store a key or other device designed to store a key, or other similar means; and

(2) Prohibitions.—It shall be unlawful for any person to transfer a firearm or any other device that is designed to store a firearm to any person who does not have a locking device for that firearm and that is designed to be unlocked only by means of a key, a combination, or other similar means; and

(i) the licensee under this chapter; or

(ii) the Secretary.

(c) LIABILITY; EVIDENCE.—Nothing in this section shall be construed to—

(A) create a cause of action against any firearms dealer or any other person for any civil liability;

(B) establish any standard of care.

(d) EVIDENCE.—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with the amendments made by this section shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this section.

(e) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to bar a governmental action to impose a penalty under section 107(f) of the Safe Act (15 U.S.C. 2051 et seq.) for a failure to comply with section 922(y) of that title.

(f) CIVIL PENALTIES.—Section 921 of title 18, United States Code, is amended—

(1) by adding at the end the following:

(‘‘(x) CIVIL PENALTIES.

(1) LIABILITY.—Nothing in this section shall be construed to—

(A) create a cause of action against any firearms dealer or any other person for any civil liability;

(B) establish any standard of care.

(2) EVIDENCE.—Notwithstanding any other provision of law, evidence regarding compliance or noncompliance with the amendments made by this section shall not be admissible as evidence in any proceeding of any court, agency, board, or other entity, except with respect to an action to enforce this section.

(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to bar a governmental action to impose a penalty under section 107(f) of the Safe Act (15 U.S.C. 2051 et seq.) for a failure to comply with section 922(y) of that title.

(g) ADDITIONAL PENALTIES.—The amendments made by this section shall not impair any other provision of law, including chapter 5 of title 5, United States Code, the Consumer Product Safety Act (15 U.S.C. 2051 et seq.), or any other provision of law that is consistent with any provision of this section.

(h) ADMINISTRATIVE REMEDIES.—The suspension or revocation of a license or the imposition of a civil penalty under paragraph (1) does not preclude any administrative remedy that is otherwise available to the Secretary.

(i) ENFORCEMENT.—The term ‘child’ means an individual who has not attained the age of 13 years.
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March 1, 2001

“(2) LOCKING DEVICE.—The term ‘locking device’ has the meaning given that term in clauses (i) and (iii) of section 921(a)(35)(A) of title 18, United States Code.”

(b) AMENDMENT.—Section 1 of the Consumer Product Safety Act is amended by adding at the end of the table of contents the following:

“Sec. 38. Child handgun safety locks.”

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Consumer Product Safety Commission $2,000,000 to carry out the provisions of section 1 of the Consumer Product Safety Act, such sums to remain available until expended.

By Mr. DE WINE (for himself, Mr. DODD, Mrs. MURRAY, and Mr. GRASSLEY): S. 437. A bill to revise and extend the Safe and Drug-Free Schools and Communities Act of 1994; to the Committee on Health, Education, Labor, and Pensions.

Mr. DE WINE. 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.

S. 437. 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 “Safe and Drug-Free Schools and Communities Reauthorization Act.”

SEC. 2. AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965. Title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7101 et seq.) is amended as follows:

**TITLE IV—SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES**

**SEC. 4001. SHORT TITLE.** This part may be cited as the “Safe and Drug-Free Schools and Communities Act of 1994.”

**SEC. 4002. FINDINGS.**

“Congress makes the following findings:

“(1) Every student should attend a school in a drug- and violence-free learning environment.

“(2) The widespread illegal use of alcohol and drugs, and other drug-related problems in Nation’s secondary school students, and increasingly by students in elementary schools, as well, constitutes a grave threat to such students’ physical and mental well-being, and significantly impedes the learning process. For example, data show that students who drink tend to receive lower grades and are more likely to miss school because of illness than students who do not drink.

“(3) Drug and violence prevention programs are essential components of a comprehensive strategy to promote school safety, youth development, positive school outcomes, and to reduce the demand for and illegal use of alcohol, tobacco and drugs throughout the Nation. 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 their programs against clearly defined goals and objectives.

“(4) Drug and violence prevention programs are most effective when implemented within a research-based, drug and violence prevention framework of proven effectiveness.

“(5) Research clearly shows that community contexts contribute to substance abuse and violence.

“(6) Substance abuse and violence are intricately related and must be dealt with in a holistic manner.

“(7) Research has documented that parental behavior and environment directly influence a child’s inclination to use alcohol, tobacco or drugs.

**SEC. 4003. PURPOSE.**

“The purpose of this part is to support programs that prevent violence in and around schools and prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, school, and community efforts and resources, through the provision of Federal assistance to—

“(1) States for grants to local educational agencies and educational service agencies and consortia of such agencies to establish, operate, and improve local programs of school drug and violence prevention, early intervention, referral, and education in elementary and secondary schools for the development and implementation of consistent and appropriate standards regarding the illegal use of alcohol, tobacco and drugs, and for violent behavior (including intermediate and junior high schools);

“(2) States for grants to, and contracts with, community-based organizations and other public and private nonprofit agencies and organizations for programs of drug and violence prevention including community mobilization, early intervention, rehabilitation, referral, and education;

“(3) States for development, training, technical assistance, and coordination activities; and

“(4) public and private nonprofit organizations to provide technical assistance, conduct training, demonstrations, and evaluation, and to provide supplementary services and community mobilization activities for the prevention of drug use and violence among students and youth.

**SEC. 4004. FUNDING.**

“There are authorized to be appropriated—

“(1) $700,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years, for State grants under part A;

“(2) $150,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years, for national programs under part B; and

“(3) $75,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years, for the National Coordinating Initiative under section 4122.

**PART A—STATE GRANTS FOR DRUG AND VIOLENCE PREVENTION PROGRAMS**

**SEC. 4111. RESERVATIONS AND ALLOTMENTS.**

“(a) RESERVATIONS.—From the amount made available under section 4004(1) to carry out this part for each fiscal year, the Secretary—

“(1) shall reserve 1 percent of such amount for grants under this part for Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with the Secretary’s determination of their respective need to carry out such programs;

“(2) shall reserve 1 percent of such amount for the Secretary of the Interior to carry out programs under this part for Indian youth;

“(3) may reserve not more than $2,000,000 for the national impact evaluation required by section 4117(a); and

“(4) shall reserve 0.2 percent of such amount for programs for Native Hawaiians under section 4118.

(b) STATE ALLOTMENTS.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary, for each fiscal year, shall—

“(A) allocate among the States the amount each State received under section 1124A for the preceding year and the sum of such amounts received by all the States;

“(B) allocate such amount to the States for each fiscal year in the ratio of the amount each State receives under section 1124A for the preceding year and the sum of such amounts received by all the States to the ratio between the amount each State receives under section 1124A for the preceding year and the sum of such amounts received by all the States;

“(C) make such allocations on the basis of the ratio between the amount each State receives under section 1124A for the preceding year and the sum of such amounts received by all the States to benefits provided in the State under this part for Indian youth;

“(D) make such allocations on the basis of the ratio between the amount each State receives under section 1124A for the preceding year and the sum of such amounts received by all the States to benefits provided in the State under this part for programs for Native Hawaiians;

“(E) make such allocations on the basis of the ratio between the amount each State receives under section 1124A for the preceding year and the sum of such amounts received by all the States to benefits provided in the State under this part for programs for Native Hawaiians; and

“(F) allocate to the Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands such sums as may be necessary to carry out programs under this part for Indian youth;

“(2) EXCESS.—In any fiscal year, the Secretary, shall—

“(A) allocate such amount to the States for each fiscal year in the ratio of the amount each State receives under section 1124A for the preceding year and the sum of such amounts received by all the States to benefits provided in the State under this part for Indian youth;

“(B) allocate such amount to the States for each fiscal year in the ratio of the amount each State receives under section 1124A for the preceding year and the sum of such amounts received by all the States to benefits provided in the State under this part for programs for Native Hawaiians; and

“(C) allocate to the Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands such sums as may be necessary to carry out programs under this part for Indian youth; and

“(D) allocate to the Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands such sums as may be necessary to carry out programs under this part for Indian youth.

(c) LIMITATION. Amounts appropriated under section 4004(2) for a fiscal year may not be increased above the amounts appropriated under such section for the previous fiscal year unless the appropriations authorized under section 4004(1) for the fiscal year involved are at least 10 percent greater than the amounts appropriated under such section for fiscal year.
"(4) contains an assurance that the State will cooperate with, and assist, the Secretary in conducting a national impact evaluation of programs required by section 4117(a); and

(5) contains assurances that the State educational agency and the Governor will develop their respective applications in consultation with the Secretary. Such applications shall include, to the extent practicable, representations from school districts, businesses, parents, youth, teachers, administrators, pupil service agencies, private schools, appropriate State agencies, community-based organizations, the medical profession, law enforcement, the media, and other groups with interest and expertise in alcohol, tobacco, drug, and violence prevention;

(6) contains assurances that the State educational agency and the Governor involve the representatives described in paragraph (5), on an ongoing basis, to review program evaluations and other relevant material and make recommendations to the State educational agency and the Governor on how to improve their respective alcohol, tobacco, drug, and violence prevention programs;

(7) contains a list of the State’s results-based performance measures for drug and violence prevention, that shall—

(A) be based on student behavior and attitudes and be derived from the needs assessment;

(B) include targets and due dates for the attainment of such performance measures; and

(C) include a description of the procedures that the State will use to inform local educational agencies of such performance measures for assessing and publicly reporting progress toward meeting such measures or revising them as needed; and

(8) includes any other information the Secretary may require.

(b) STATE EDUCATIONAL AGENCY FUNDS.—A State’s application under this section shall also contain a comprehensive plan for the use of funds under section 4113(a) by the State educational agency that includes—

(1) a description of how the funds shall be distributed within the boundaries of such agencies; and

(2) a description of the procedures the State will use to inform local educational agencies of such funds;

(3) a description of how the Chief Executive Officer and the Governor will coordinate such officer under section 4114(a) and a plan for monitoring the performance of, and providing technical assistance to, recipients of such funds;

(4) a description of the special outreach activities that will be carried out to maximize the participation of community-based nonprofit organizations of demonstrated effectiveness to provide services in low-income communities;

(5) a description of how funds will be used to support community-wide comprehensive drug and violence prevention planning and community mobilization activities; and

(6) a specific description of how input from parents will be sought regarding the use of funds under section 4114(a).

(d) PEER REVIEW.—The Secretary shall use a peer review process in reviewing State applications under this section.

(e) INTERIM APPLICATION.—Notwithstanding any other provisions of this section, a State may submit for fiscal year 2001 a 1-year interim application and plan for the use of funds under section 4114(a) and a plan for monitoring the performance of, and providing technical assistance to, recipients of such funds.

(f) LOCAL EDUCATIONAL AGENCY PROGRAMS.

(1) IN GENERAL.—A State educational agency shall distribute not less than 91 percent of the amount under subsection (a) for each fiscal year to local educational agencies that apply for funds to carry out drug and violence prevention programs in accordance with this subsection.

(2) DISTRIBUTION.—A State educational agency shall distribute amounts under paragraph (1) in accordance with any one of the following paragraphs:

(A) PERCENTAGE AND COMPARATIVE APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

(i) at least 70 percent of such amount to local educational agencies, based on the relative enrollments in public and private non-profit elementary and secondary schools within the boundaries of such agencies; and

(ii) not to exceed 30 percent of any amounts remaining after amounts are distributed under clause (i) to local educational agencies that the State agency determines have a need for additional funds to carry out drug and violence prevention programs authorized by this part.

(B) COMPETITIVE NEED APPROACH.—Of the amount distributed under paragraph (1), a State educational agency shall distribute—

(i) not to exceed 70 percent of such amount to local educational agencies that the State agency determines, through a competitive process, have the greatest need for additional funds to carry out drug and violence prevention programs based on criteria established by the State agency and determined under this paragraph; and

(ii) at least 30 percent of any amounts remaining after amounts are distributed under clause (i) to local educational agencies that the State agency determines have a need for additional funds to carry out the programs authorized under this part.

(3) CONSIDERATION OF OBJECTIVE DATA.—For purposes of paragraph (2), in determining which local educational agencies have the greatest need for additional funds to carry out drug and violence prevention programs, the Secretary and the State educational agency shall consider objective data which may include—

(A) high or increasing rates of alcohol or drug use among youth;

(B) high or increasing rates of victimization of youth by violence and crime;
“(C) high or increasing rates of arrests and convictions of youth for violent or drug- or alcohol-related crime; “(D) the extent of illegal gang activity; “(E) the extent of drug or alcohol abuse treatment and rehabilitation programs; “(F) high or increasing rates of referrals of youth to juvenile court or treatment for alcohol or harmful substances as well as the violence, safety, and discipline problems among youths to juvenile court; “(G) high or increasing rates of expulsions and suspensions of students from schools; “(H) high or increasing rates of reported cases of child abuse and domestic violence; and “(J) high or increasing rates of drug-related emergencies or deaths. “(e) REALLOCATION OF FUNDS.—If a local educational agency chooses not to apply to receive the amount allocated to such agency under subsection (d), or if such agency’s application under section 415 is disapproved by the State educational agency, the State educational agency shall reallocate such amount to one or more of its other local educational agencies. “(f) RETURN OF FUNDS TO STATE EDUCATIONAL AGENCY; REALLOCATION.— “(1) RETURN.—Except as provided in paragraph (2), upon the expiration of the 1-year period beginning on the date that the local educational agency or educational service agency under this title receives its allocation under this title, “(A) such agency shall return to the State educational agency any funds from such allocation that remain unobligated; and “(B) the State educational agency shall reallocate the amount to local educational agencies or educational service agencies that have plans for using such amount for programs or activities on a timely basis. “(2) REALLOCATION.—In any fiscal year, a local educational agency, may retain for obligation in the succeeding fiscal year— “(A) an amount equal to not more than 25 percent of the allocation it receives under this title for such fiscal year; or “(B) upon a demonstration of good cause by such consortium, a greater amount approved by the State educational agency.”

**SEC. 414. GOVERNOR’S PROGRAMS.**

**Use of Pyrrho Funds.**—(a) IN GENERAL.—“(1) RETURN.—“(A) an amount equal to 20 percent of the total amount allocated to a State under section 411(b)(1) for each fiscal year under this part shall be returned to the chief executive officer of such State for drug and violence prevention programs and activities in accordance with this section. “(2) ADMINISTRATIVE COSTS.—A chief executive officer may use not more than 5 percent of the 20 percent described in paragraph (1) for the administrative costs incurred in carrying out the functions of such officer under this section. The chief executive officer of a State may use amounts under this paragraph to award grants to county, state or local law enforcement agencies, including district attorneys, in consultation with local education agencies or community-based agencies, for the purposes of carrying out drug abuse and violence prevention activities. “(b) STATE PLAN.—Amounts shall be used under this section in accordance with a State plan submitted by the chief executive officer of the State. Such State plan shall contain— “(1) an objective analysis of the current use (and consequences of such use) of alcohol, tobacco, controlled, illegal, addictive or harmful substances as well as the violence, safety, and discipline problems among students who attend schools in the State (including private school students who participate in the State’s drug and violence prevention programs) that is based on ongoing local assessment of drug and violence prevention activities; “(2) an analysis, based on data reasonably available at the time, of the prevalence of risk or protective factors, buffers or assets or other risk factors or protective factors in schools and communities in the State; “(3) a description of the research-based strategies and programs, which shall be used to prevent or reduce drug and violence associated with prejudice and intolerance; “(4) developmental and implementing strategies to prevent illegal gang activity; “(5) describing and implementing community mobilization activities to undertake environmental change strategies related to substance abuse and violence; and “(6) before-and-after school recreational, instructional, cultural, and artistic programs that encourage drug- and violence-free lifestyles; “(7) activities that promote the awareness of and sensitivity to alternatives to violence through courses of study that include related issues of intolerance and hatred in history; “(8) programs or activities on a time-limited basis.

**SEC. 4115. LOCAL APPLICATIONS.**

**Application Required.**—(a) IN GENERAL.—“(1) ADMINISTRATIVE COSTS.—“(A) an amount equal to not more than 25 percent of the amount for programs or activities on a timely basis.

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**CONGRESSIONAL RECORD — SENATE March 1, 2001**

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**SEC. 4115. LOCAL APPLICATIONS.**

**Application Required.**—(a) IN GENERAL.—“(1) ADMINISTRATIVE COSTS.—“(A) an amount equal to not more than 25 percent of the amount for programs or activities on a timely basis.
students who attend the schools of the applicant (including private school students who participate in the applicant’s drug and violence prevention program) that is based on ongoing local assessment or evaluation activities;

(2) an analysis, based on data reasonably available at the time, of the prevalence of risk factors, protective factors, buffers or assets, or other research-based variables in the school and community;

(3) a description of the research-based strategies and programs, which shall be used to prevent or reduce drug use, violence, or disruptive behavior, which shall include—

(A) a specification of the objectively measured goals, objectives, and implementation activities for the program, which shall include—

(i) reductions in the use of alcohol, tobacco, and illicit drugs and violence by youth;

(ii) specific reductions in the prevalence of identified risk factors;

(iii) specific increases in the prevalence of protective factors, buffers, or assets if any have been identified; or

(iv) other research-based goals, objectives, and activities that are identified as part of an action that are not otherwise covered under clauses (i) through (iii);

(B) a specification for how risk factors, if any, which have been identified will be targeted through research-based programs;

(C) a specification for how protective factors, buffers, or assets, if any, will be targeted through research-based programs;

(D) a specification for how the method or methods by which measurements of program goals will be achieved;

(E) a specification for how the evaluation of the effectiveness of the prevention program will be assessed and how the results will be used to refine, improve, and strengthen the program;

(F) assurance that the applicant has, or the schools to be served have, a plan for keeping schools safe and drug-free that includes—

(A) appropriate and effective discipline policies that prohibit disorderly conduct, the possession of firearms and other weapons, and the illegal use, possession, distribution, and sale of tobacco, alcohol, and other drugs by students;

(B) security procedures at school and while students are on the way to and from school;

(C) prevention activities that are designed to create and maintain safe, disciplined, and drug-free environments; and

(D) a plan for responding to violent or traumatic incidents on school grounds; and

(E) such other information and assurances as the State educational agency may reasonably require.

(3) REVIEW OF APPLICATION.—

(1) IN GENERAL.—In reviewing local applications for the research-based drug and violence prevention program, the State educational agency shall use a peer review process or other methods of assessing the quality of such applications.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to approve the application of a local educational agency under this section, a State educational agency shall consider the quality of the local educational agency’s comprehensive plan under subsection (b)(6) and the extent to which the proposed plan provides for the assessment of the substance abuse and violence problem, uses objective data and the knowledge of a wide range of community members, develops measurable goals and objectives, and implements research-based programs that have been shown to be effective and meet identified needs.

(B) DISAPPROVAL.—A State educational agency may disapprove a local educational agency application under this section in whole or in part and may withhold, limit, or condition approval for all students of a school level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, that are tailored by individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;

(C) implementation of strategies, such as conflict resolution and peer mediation, that prevent or reduce illegal drug use, alcohol, tobacco or drug use, and violence by students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities and drug use;

(F) supporting ‘safe zones of passage’ for students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(G) the development and implementation of character education programs, as a component of a comprehensive drug or violence prevention program, that are tailored by communities, parents, and schools; and

(4) violence prevention programs for school-aged youth, which emphasize students’ sense of individual responsibility and may include—

(A) the dissemination of information about school safety and discipline;

(B) the professional development or voluntary training of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in designing and implementing strategies to prevent such violence; and

(C) the implementation of strategies, such as conflict resolution and peer mediation, that prevent or reduce illegal drug use, alcohol, tobacco or drug use, and violence by students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities and drug use;

(F) supporting ‘safe zones of passage’ for students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(G) the development and implementation of character education programs, as a component of a comprehensive drug or violence prevention program, that are tailored by communities, parents, and schools; and

(5) a specification for how the evaluation of the effectiveness of the prevention program will be assessed and how the results will be used to refine, improve, and strengthen the program;

(6) a specification for how protective factors, buffers, or assets, if any, will be targeted through research-based programs;

(7) such other information and assurances as the State educational agency may reasonably require.

(2) PROGRAM REQUIREMENTS.—A local educational agency shall use funds received under this part to carry out an comprehensive drug and violence prevention program which shall—

(1) be designed, for all students and school employees, to—

(A) prevent the use, possession, and distribution of tobacco, alcohol, and illegal drugs by students and to prevent the illegal use, possession, and distribution of such substances by school employees;

(B) prevent violence and promote school safety; and

(C) create a disciplined environment conducive to learning;

(2) include activities to promote the involvement of students in coordination with community groups and agencies, including the distribution of information about the local educational agency’s needs, goals, and programs to agencies and community organizations to discuss and develop crime prevention strategies, and the use of mentoring programs, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(3) implement activities which shall only include—

(A) a thorough assessment of the substance abuse violence problem, using objective data and the knowledge of a wide range of community members;

(B) the development of measurable goals and objectives;

(C) the implementation of research-based programs that have been shown to be effective and meet identified goals; and

(D) an evaluation of program activities; and

(4) implement prevention programming activities within the context of a research-based prevention framework;

(b) USE OF FUNDS.—A comprehensive, age-appropriate, developmentally- and research-based drug and violence prevention program carried out under this part may include—

(1) drug or violence prevention and education programs for all students, from preschool through grade 12, that address the legal, social, personal and health consequences of the use of illegal drugs or violence, promote a sense of individual responsibility, and provide information about effective techniques for resisting peer pressure to use illegal drugs;

(2) programs of drug or violence prevention, health education (as it relates to drug and violence prevention), early intervention, pupil services, mentoring, or rehabilitation referral, which emphasize students’ sense of individual responsibility and may include—

(A) the dissemination of information about drug or violence prevention;

(B) the professional development or voluntary training of school personnel, parents, students, law enforcement officials, judicial officials, health service providers and community leaders in prevention, education, early intervention, pupil services or rehabilitation referral; and

(C) the implementation of strategies, including strategies to prevent or reduce illegal drug use, alcohol, tobacco or drug use, and violence, which emphasize students’ sense of individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;

(4) violence prevention programs for school-aged youth, which emphasize students’ sense of individual responsibility and may include—

(A) the dissemination of information about school safety and discipline;

(B) the professional development or voluntary training of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in designing and implementing strategies to prevent such violence; and

(C) the implementation of strategies, such as conflict resolution and peer mediation, that prevent or reduce illegal drug use, alcohol, tobacco or drug use, and violence by students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities and drug use;

(F) supporting ‘safe zones of passage’ for students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(G) the development and implementation of character education programs, as a component of a comprehensive drug or violence prevention program, that are tailored by communities, parents, and schools; and

(5) a specification for how the evaluation of the effectiveness of the prevention program will be assessed and how the results will be used to refine, improve, and strengthen the program;

(6) a specification for how protective factors, buffers, or assets, if any, will be targeted through research-based programs;

(7) such other information and assurances as the State educational agency may reasonably require.

(3) REVIEW OF APPLICATION.—

(1) IN GENERAL.—In reviewing local applications for the research-based drug and violence prevention program, a State educational agency shall use a peer review process or other methods of assessing the quality of such applications.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to approve the application of a local educational agency under this section, a State educational agency shall consider the quality of the local educational agency’s comprehensive plan under subsection (b)(6) and the extent to which the proposed plan provides for the assessment of the substance abuse and violence problem, uses objective data and the knowledge of a wide range of community members, develops measurable goals and objectives, and implements research-based programs that have been shown to be effective and meet identified needs.

"" (B) DISAPPROVAL.—A State educational agency may disapprove a local educational agency application under this section in whole or in part and may withhold, limit, or condition approval for all students of a school level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, that are tailored by individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;

(C) age-appropriate, developmentally based violence prevention and education programs for all students of a school level through grade 12, that address the legal, health, personal, and social consequences of violent and disruptive behavior, that are tailored by individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;

(D) implementation of strategies, such as conflict resolution and peer mediation, that prevent or reduce illegal drug use, alcohol, tobacco or drug use, and violence by students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(E) comprehensive, community-wide strategies to prevent or reduce illegal gang activities and drug use;

(F) supporting ‘safe zones of passage’ for students between home and school through such measures as Drug—Weapon-Free School Zones, enhanced law enforcement, and school districts’ policies, to combat school violence and other forms of disruptive behavior, such as sexual harassment and abuse; and

(G) the development and implementation of character education programs, as a component of a comprehensive drug or violence prevention program, that are tailored by communities, parents, and schools; and

(H) the professional development or voluntary training of school personnel, parents, students, law enforcement officials, judicial officials, and community leaders in prevention, education, early intervention, pupil services or rehabilitation referral; and

(I) the implementation of strategies, including strategies to prevent or reduce illegal drug use, alcohol, tobacco or drug use, and violence, which emphasize students’ sense of individual responsibility and respect for the rights of others, and to resolve conflicts without violence, or otherwise decrease the prevalence of risk factors or increase the prevalence of protective factors, buffers, or assets in the community;
whether they used evaluations to improve programs that have been shown to be effective of a wide range of community members; substance abuse and violence problem; schools. The evaluation shall report on assisted under this part and of other recent annual evaluation of the impact of programs Committee, shall conduct an independent bi- in consultation with the National Advisory supported by the State educational agency or school for the estab-

lished under this part may be used to carry out the activities described in paragraphs (5) and (6) of subsection (b).

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SEC. 4117. EVALUATION AND REPORTING.

(a) IMPACT EVALUATION. The Secretary, in consultation with the National Advisory Committee, shall conduct an independent bi-annual evaluation of the impact of programs assisted under this part and of other recent and new initiatives to combat violence in schools. The evaluation shall report on—

(A) whether funded community and local educational agency programs—

(i) provided a thorough assessment of the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use in elementary and secondary schools in the States.

(B) whether funded community and local educational agency programs have conducted effective parent involvement and volunteer training programs.

(C) on the State’s efforts to inform par-

ents and include parents in, violence and drug prevention; and

(D) whether funded community and local educational agency programs—

(i) risk factors that are predictive of an increased likelihood that young people will use drugs, alcohol or tobacco or engage in violence or drop out of school; or

(ii) protective factors, buffers, or assets that are known to protect children and youth from exposure to risk, either by reduc-

ing the exposure to risk factors or by chang-

ing the young person’s perceptions to reduce risk, and to increase the likelihood of posi-

tive youth development;

(C) whether funded community and local educational agency programs have appreciably reduced the level of drug, alcohol and to-

bacco use and school violence and the pres-

ence of firearms at schools; and

(D) whether funded community and local educational agency programs have con-

ducted effective parent involvement and vol-

unteer training programs.

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(b) STATE REPORT.

(1) IN GENERAL.—By December 1, 2002, and every 2 years thereafter, the Secretary shall submit to the President and Congress a report on the findings of the evaluation conducted under paragraph (1) to-gether with the data collected under para-

graph (2) and data available from other sources on the incidence and prevalence, age of onset, perception of health risk, and perception of social disapproval of drug use in elementary and secondary schools in the States. The Secretary shall include data sub-

mitted by the States pursuant to subsection (b)(2)(B).

(2) SPECIAL RULE.—A local educational agency or school for the estab-

lishment or implementation of a school uni-

form policy so long as such policy is part of the overall comprehensive drug and violence prevention program and is supported by the State’s needs assessment and other research-based information.

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SEC. 4117. EVALUATION AND REPORTING.

(a) GENERAL AUTHORITY. From the funds made available pursuant to section 4111(a)(4) to carry out this section, the Secretary shall make grants to or enter into cooperative agreements or contracts with organizations primarily serving and representing Native Hawaiians which are recognized by the Gover-

nors of the State of Hawaii, the Secretary, con-

duct, and administer programs, or portions thereof, which are authorized by and con-

sistent with the provisions of this title for the benefit of Native Hawaiians.

(b) DEFINITION OF NATIVE HAWAIIAN. For the purposes of this section, the term ‘‘Native Hawaiian’’ means any person whose ancestors were natives, prior to 1778, of the area which now comprises the State of Hawaii.

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PART II—NATIONAL PROGRAMS

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SEC. 4117. EVALUATION AND REPORTING.

(a) PROGRAM AUTHORIZED. From funds made available to carry out this part under section 4904(2), the Secretary, in consulta-
tion with the Secretary of Health and Human Services, the Director of the Office of National Drug Control Policy, and the Attorney General, shall carry out programs to prevent the illegal use of drugs and violence among school-aged youth. The Secretary shall carry out such programs directly, or through grants, contracts, or co-

operative agreements with public and pri-

vate nonprofit organizations and individuals, or through agreements with other Federal agencies, and shall coordinate such programs with other appropriate Federal activities. Such programs may include—

(1) the development and demonstration of innovative strategies for the voluntary training of school personnel, parents, and members of the community, including the coordination of monitoring drug testing programs for prospective school personnel; and

(2) demonstrations and rigorous evalua-

tions of innovative approaches to drug and violence prevention;

(3) the provision of information on drug abuse education and prevention to the Sec-

retary of Health and Human Services for dis-

tribution by the clearinghouse for alcohol and drug abuse information established under section 501(d)(16) of the Public Health Service Act;

(4) the development of curricula related to child abuse prevention and education and the training of personnel to teach child abuse education and prevention to elemen-

tary and secondary school students; and

(5) program evaluations in accordance with section 10201 that address issues not ad-

dressed under section 4111(a).

(b) direct services to schools and school systems afflicted with especially severe drug and violence problems or to support crisis situations and appropriate response efforts;

(c) training for school and community leaders and professionals to be trained as empowerment zones or enterprise commu-

nities that will connect schools to community-

wide efforts to reduce drug and violence problems;

(d) developing and disseminating drug and violence prevention materials, including video-based projects and model curricula;

(e) developing and implementing a com-

prehensive violence prevention strategy for schools and communities, that may include conflict resolution, peer mediation, the teaching of law and legal concepts, and other activities designed to stop violence;

(10) the implementation of innovative ac-

tivities, such as community service and serv-

ices for at-risk youth, that may include the rebuilding and implementation of school programs to reduce risk factors for drug and alcohol abuse and violence in elementary and secondary schools, and to train students and staff to use those programs effectively.

(11) community involvement activities including community mobilization;

(12) voluntary parental involvement and training;

(13) the evaluation of any of the activities authorized under this subsection;

(14) the provision of mental health coun-

eling (by qualified counselors) to students for drug-related problems;

(15) consistent with the fourth amend-
“(11) grants to noncommercial telecommunications entities for the production and distribution of national video-based projects that provide young people with models of conflict resolution and responsible decisionmaking;

“(12) the development of education and training programs, curricula, instructional materials, and professional training and development for preventing and reducing the incidence of crimes and conflicts motivated by hate in localities most directly affected by hate;

“(13) other activities that meet unmet national needs related to the purposes of this title.

“(b) Peer Review.—The Secretary shall use a peer review process in reviewing applications for funds under this section.

**SEC. 4123. NATIONAL COORDINATOR PROGRAM.**

“(a) In General.—From amounts available to carry out this section under section 4003(3), the Secretary shall provide for the establishment of a National Coordinator Program under which the Secretary shall award grants to local education agencies for the hiring of drug prevention and school safety program coordinators.

“(b) Use of Funds.—Amounts received under a grant under subsection (a) shall be used by local education agencies to recruit, hire, and train individuals to serve as drug prevention and school safety program coordinators in schools with significant drug and school safety problems. Such coordinators shall be responsible for developing, conducting, and analyzing assessments of drug and crime problems at their schools, and administering the safe and drug free grant program at such schools.

**SEC. 4124. SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES ADVISORY COMMITTEE.**

“(a) Establishment.—

“(1) In General.—There is hereby established an advisory committee to be known as the ‘Safe and Drug Free Schools and Communities Advisory Committee’ (referred to in this section as the ‘Advisory Committee’)

“(A) consult with the Secretary under subsection (b);

“(B) coordinate Federal school- and community-based substance abuse and violence prevention programs and reduce duplicative research or services;

“(C) develop core data sets and evaluation protocols for safe and drug free school- and community-based programs;

“(D) provide technical assistance and training for safe and drug free school- and community-based programs;

“(E) provide for the diffusion of research-based safe and drug free school- and community-based programs; and

“(F) the Center for Mental Health Services;

“(G) the Office of Juvenile Justice and Delinquency Prevention;

“(H) the Office of National Drug Control Policy; and

“(I) State and local governments, including educational agencies;

“(J) educational programs and organizations;

“(K) other public and nonprofit private organizations;

“(L) Federal agencies utilizing their expertise and that are undertaking in consultation with the Advisory Committee, shall carry out research-based programs to strengthen the accountability and effectiveness of the State, local, and national programs under this title.

“(2) Grants, Contracts or Cooperative Agreements.—The Secretary shall carry out a description of the programs and work through grants, contracts, or cooperative agreements with public and nonprofit private organizations and individuals or through agreements with other Federal agencies.

“(3) Coordination.—The Secretary shall coordinate programs under this section with other appropriate Federal activities.

“(4) Activities.—Activities that may be carried out under programs funded under this section may include—

“(A) the provision of technical assistance and training for the development and implementation of programs established under this section;

“(B) the provision of technical assistance and training to foster program accountability;

“(C) the diffusion and dissemination of best practices and programs;

“(D) the development of core data sets and evaluation tools;

“(E) program evaluations;

“(F) the provision of information on drug abuse education to communities affected by disease.

“(G) other activities that meet unmet needs related to the purposes of this title and that are consistent in consultation with the Advisory Committee.

**SEC. 4125. HATE CRIME PREVENTION.**

“(a) Grant Authorization.—From funds made available under this section the Secretary may make grants to local educational agencies and community-based organizations for the purpose of supporting projects that meet unmet needs related to the purposes of this title and that are consistent in consultation with the Advisory Committee.

“(b) Use of Funds.—

“(1) Program Development.—Grants under this section may be used to design and implement programs that meet unmet needs related to the purposes of this title and that are consistent in consultation with the Advisory Committee.

“(2) Geographical Distribution.—The Secretary shall attempt to give the same or equivalent treatment to each State, local, and regional entity that submits an application to the Secretary under this section.

**PART C—GENERAL PROVISIONS**

**SEC. 4131. DEFINITIONS.**

“In this part:

“(A) community-based organization.—The term ‘community-based organization’ means a private nonprofit organization which is supportive of a significant segment of a community and which provides educational or related services to individuals in the community.

“(B) drug prevention.—The term ‘drug prevention’ means—

“(A) with respect to drugs, prevention, early intervention, rehabilitation referral, or education, related to the use of controlled, illegal, medicinal substances, including inhaling and anabolic steroids;

“(B) with respect to alcohol, early intervention, smoking cessation activities, or education, related to the use of tobacco by children and youth eligible for services under this title; and

“(C) with respect to violence, the promotion of school safety, such as students...
and school personnel are free from violent and disruptive acts, including sexual harassment and abuse, and victimization associated with prejudice and intolerance, on school grounds and school-related activities, and at school-sponsored activities, through the creation and maintenance of a school environment that is free of weapons and fosters individual responsibility and respect for the rights of others.

"(3) HATE CRIME.—The term ‘hate crime’ means a crime as described in section 106 of the Hate Crime Statistics Act of 1990.

"(4) NONPROFIT.—The term ‘nonprofit’, as applied to a school, agency, organization, or institution means a school, agency, organization, or institution that is operated, controlled, and managed for the benefit of one or more nonprofit corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(5) OBJECTIVELY MEASURABLE GOALS.—The term ‘objectively measurable goals’ means prevention programming goals defined through use of quantitative epidemiological data measuring the prevalence of alcohol, tobacco, and other drug use, violence, and the prevalence of risk and protective factors predictive of these behaviors, collected through a variety of methods and sources known to provide high quality data.

"(6) PROTECTIVE FACTOR, RISK FACTOR, OR ASSET.—The terms ‘protective factor’, ‘risk factor’, ‘buffer’, and ‘asset’ mean any one of a number of characteristics of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, or which are grounded in a well-established theoretical model of prevention, and have been shown to prevent alcohol, tobacco, or illicit drug use, as well as violent behavior by youth in the community, and which promote positive youth development.

"(7) RISK FACTOR.—The term ‘risk factor’ means any one of a number of characteristics of the community, school, family, or peer-individual domains that are known, through prospective, longitudinal research efforts, or which are grounded in a well-established theoretical model of prevention, and have been shown to prevent alcohol, tobacco, or illicit drug use, as well as violent behavior by youth in the community.

"(8) SCHOOL-AGED POPULATION.—The term ‘school-aged population’ means the population aged five through 17, as determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

"(9) SCHOOL PERSONNEL.—The term ‘school personnel’ includes teachers, administrators, counselors, social workers, psychologists, nurses, and other support staff who are employed by a school or who perform services for the school on a contractual basis.

"SEC. 4132. MATERIALS.

(a) ‘ILLEGAL AND HARMFUL’ MESSAGE.—Drug prevention programs supported under this part shall convey a clear and consistent message that the illegal use of alcohol and other drugs is illegal and harmful.

(b) CURRICULUM.—The Secretary shall not prescribe the use of specific curricula for programs supported under this part, but may evaluate the effectiveness of such curricula and other strategies in drug and violence prevention.

"SEC. 4133. PROHIBITED USES OF FUNDS.

No funds under this part may be used for—

(1) construction (except for minor remodeling) to accomplish the purposes of this part; and

(2) medical services, drug treatment or rehabilitation, except for pupil services or referred to students who are victims of or witnesses to crime or who use alcohol, tobacco, or drugs.

"SEC. 4134. QUALITY RATING.

(a) IN GENERAL.—The chief executive officer of each State, or in the case of a State in which the constitution or law of such State assigns to an individual or agency in the State to be responsible for education activities, such individual, entity, or agency, is authorized and encouraged—

(1) to establish a standard of quality for drug, alcohol, and tobacco prevention programs implemented in public elementary schools and secondary schools in the State in accordance with subsection (b); and

(2) to identify and designate, upon application by a public elementary school or secondary school, any such school that achieves such standard of quality.

(b) CRITERIA.—The standard referred to in subsection (a) shall be at a minimum—

(1) a comparison of the rate of illegal use of drugs, alcohol, and tobacco by students enrolled in the school for a period of time to be determined by the chief executive officer of the State;

(2) the rate of suspensions or expulsions of students enrolled in the school for drug, alcohol, or tobacco-related offenses;

(3) the effectiveness of the drug, alcohol, or tobacco prevention program as proven by research;

(4) the involvement of parents and community members in the design of the drug, alcohol, and tobacco prevention program; and

(5) the extent of review of existing community drug, alcohol, and tobacco prevention programs before implementation of the public school program.

(c) REQUEST FOR QUALITY PROGRAM SCHOOL DESIGNATION.—A school that wishes to receive a quality program school designation shall submit a request and documentation of compliance with this section to the chief executive officer of the State or the individual, entity, or agency described in subsection (a), as the case may be.

(d) PUBLIC NOTIFICATION.—Not less than one year before each school year, the chief executive officer of each State or the individual, entity, or agency described in subsection (a), as the case may be, shall make available to the public a list of the names of each public school in the State that has received a quality program school designation in accordance with this section.

By Mr. DEWINE:

S. 438. A bill to improve the quality of teachers in elementary and secondary schools; to the Committee on Health, Education, Labor, and Pensions.

Mr. DEWINE. 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. 438

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 “Teacher Quality Act of 2001”.

TITLE I—EISENHOWER NATIONAL CLEARINGHOUSE IMPROVEMENT

SEC. 101. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) The most important education tool in any classroom is a qualified, highly trained teacher.

(2) The collection and effective dissemination of best practices in education is a primary responsibility of the Federal Government.

(3) The Eisenhower National Clearinghouse is the Nation’s repository of kindergarten through grade 12 instructional materials in mathematics and science education, and disseminates information about these materials in a user-friendly format for educators.

(b) CONFORMING AMENDMENT.—Section 13302(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 12311(10)) is amended by striking “Mathematics and Science”.
TITLE II—TEACHER MENTORING

SEC. 201. FINDINGS AND PURPOSE.
(a) FINDINGS.—Congress makes the follow- ing findings:
(1) The American teaching force is aging. The average age of a teacher was 43 years old in academic year 1993-1994, an increase of 3 years over the average age of school teachers in academic year 1987-1988. Nearly a quarter of American teachers are over 50 years old and nearing retirement.
(2) On average public school teachers have slightly more than 15 years teaching experience, while a third of the public school teachers have 20 or more years of teaching experience.
(3) The experience of America’s veteran teachers should be utilized to help introduce beginning teachers to the profession and to their new school.
(4) Retention of beginning teachers is a growing problem, with approximately 25 percent of beginning teachers leaving the teaching profession within their first 3 years in the classroom.

(b) PURPOSE.—The purpose of this title is to increase teacher retention and improve the support and performance of teachers by encouraging and assisting States to develop and operate mentoring programs for beginning teachers.

SEC. 202. DEFINITIONS.
The terms used in this title have the meanings given in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. 203. GRANT PROGRAM.
(a) IN GENERAL.—The Secretary is author- ized to award grants to State educational agencies to enable the State educational agencies to carry out mentoring programs under which public elementary school or secondary school teachers with more than 3 years teaching experience serve as mentor teachers to public elementary school or secondary school teachers with less than 3 years teaching experience.

(b) AMOUNT.—Each State educational agen- cy having an application approved under sub- section (a) for a fiscal year shall receive a grant in an amount that bears the same rela- tion to the amount appropriated under subsection (e) for the fiscal year as the number of enrolled elementary school or secondary school students in the State for the fiscal year bears to the number of such students in all States for the fiscal year.

(c) EQUITABLE DISTRIBUTION.—The amount of a State educational agency’s grant that will not be used by the State educational agency for a fiscal year shall be reallocated to the other State educational agencies in the same man- ner as grants are awarded under subsection (b).

(d) APPLICATION.—Each State educational agency that desires a grant under this section shall submit an application to the Sec- retary at such time, in such manner and ac- companying such information as the Sec- retary may require. Each such application shall—
(1) describe the activities and services for which funds are requested;
(2) contain an assurance that funds pro- vided under this title will be used to supple- ment and not supplant State or local public funds available for teacher mentoring pro- grams; and
(3) contain an assurance that the State educational agency consulted with local educational agencies, school boards, parents, and institutions of higher education in the design and imple- mentation of the teacher mentoring program to be assisted.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this title $5,000,000 for each of the fiscal years 2002 and 2003.

TITLE III—ALTERNATIVE CERTIFICATION AND LICENSURE OF TEACHERS

SEC. 301. FINDINGS AND PURPOSE.
(a) FINDINGS.—Congress finds that—
(1) the measure of a good teacher is how much and how well the teacher’s students learn;
(2) the main teacher quality problem in 1998 was the lack of subject matter knowl- edge; 
(3) knowledgeable and eager individuals of sound moral character, who have professional backgrounds should be encouraged to enter the kindergarten through grade 12 class- rooms as teachers;
(4) many teachers and professionals who have demonstrated a high level of subject area competence outside the education profession may wish to pursue careers in education, but have not fulfilled the traditional require- ments to be certified or licensed as teachers;
(5) States should have maximum flexibility and incentives to create alternative teacher certification and licensure programs in order to recruit well-educated people into the teaching profession; and
(6) alternative routes can enable qualified individuals to move to a teaching career in elementary or secondary education from an- other occupation through an alternative route to teacher certification or licensure.

(b) PURPOSE.—It is the purpose of this title to improve the supply of well-qualified ele- mentary or secondary school teach- ers by encouraging and assisting States to develop and implement programs for alterna- tive routes to teacher certification or li- censure requirements and will allow school systems to utilize the expertise of professionals and improve the pool of qualified individuals available to local edu- cational agencies as teachers.

SEC. 302. ALLOTMENTS.
(a) ALLOTMENTS TO STATES.—
(1) IN GENERAL.—From the amount appro- priated to carry out this title for each fiscal year, the Secretary shall allot to each State the lesser of—
(A) the amount the State applies for under section 303; or
(B) an amount that bears the same relation to the amount so appropriated as the total population of children ages 5 through 17 in the State bears to the total population of such children in all the States (based on the most recent data available that is satisfac- tory to the Secretary).

(2) REALLOCATION.—If a State does not apply for the State’s allotment, or the full amount of the State’s allotment, under para- graph (1), the Secretary may reallocate the excess funds to 1 or more other States that demonstrate, to the satisfaction of the Sec- retary, a current need for the funds.

(b) SPECIAL RULE.—Notwithstanding section 421(b) of the General Education Provi- sions Act (20 U.S.C. 1225(b)), funds awarded under this title shall remain available for obligation or expenditure for a period of 3 calendar years from the date of the grant.

SEC. 303. STATE APPLICATIONS.
(a) IN GENERAL.—Any State desiring to re- ceive assistance under this title shall, through the State educational agency, sub- mit an application at such time, in such manner, and containing such information, as the Secretary may reasonably require.

(b) REQUIREMENTS.—Each application shall—
(1) describe the programs, projects, and ac- tivities to be carried out with assistance provided under this title; and
(2) contain such assurances as the Sec- retary considers necessary, including assur- ances that—
(A) assistance provided to the State edu- cational agency under this title will be used to supplement, and not to supplant, any State or local funds available for the develop- ment and implementation of programs to provide alternative routes to fulfilling teacher certification or licensure requirements;
(B) the State educational agency has, in developing and designing the application, consulted with—
(i) representatives of local educational agencies, including superintendents and school board members (including representa- tives of their professional organizations if appropriate); (ii) elementary school and secondary school teachers, including representatives of the professional organizations; (iii) schools or departments of education within institutions of higher education;
(iv) parents; and
(v) other interested individuals and organi- zations; and
(C) the State educational agency will sub- mit to the Secretary, at such time as the Secretary may specify, a final report de- scribing the activities carried out with as- sistance provided under this title and the re- sults achieved with respect to such activi- ties.

SEC. 304. USE OF FUNDS.
(a) USE OF FUNDS.—
(1) IN GENERAL.—A State educational agen- cy shall use funds provided under this title to support programs, projects, or activities that develop and implement new, or expand and improve existing, programs that enable individuals to move to a teaching career in elementary or secondary education from another occupation through an alternative route to teacher certification or licensure.

(2) TYPES OF ASSISTANCE.—A State edu- cational agency may carry out such pro- grams, projects, or activities directly, through contracts, or through grants to local educational agencies, interagency edu- cational agencies, institutions of higher edu- cation, or consortia of such agencies or insti- tutions.

(b) USES.—Funds received under this title may be used for—
(1) the design, development, implementa- tion, and evaluation of programs that enable qualified individuals who have de- monstrated a high level of subject area competence outside the education profession to enter teaching; and
(2) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to fulfilling State teacher certification or licensure requirements;
(3) training of staff, including the develop- ment of appropriate state educational programs, such as mentor programs, for teachers entering the school system through alternative routes to teacher certification or licensure;
(4) the development of recruitment strate- gies;
(5) the development of reciprocity agree- ments between or among States for the cer- tification or licensure of teachers; or
(6) other programs, projects, and activities that—
(A) are designed to meet the purpose of this title; and
(B) the Secretary determines appropriate.

SEC. 305. DEFINITIONS.
In this title—
(1) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; SEC- RETARY; AND STATE EDUCATIONAL AGENCY—
The terms ‘elementary school’, ‘local educational agency’, ‘secondary school’, ‘Secretary’, and ‘State educational agency’ have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(2) INSTITUTION OF HIGHER EDUCATION.—The term ‘institution of higher education’ has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

(3) STATE.—The term ‘State’ means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 306. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $15,000,000 for fiscal year 2002 and each of the 4 succeeding fiscal years.

TITLE IV—TEACHER QUALITY

SEC. 401. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) individuals entering a classroom should have a sound grasp of the subject the individuals intend to teach and the individuals should know how to teach;

(2) the quality of teachers impacts student achievement;

(3) people who enter the teaching profession through alternative certification programs can benefit from having the opportunity to attend a teacher training facility;

(4) teachers need to increase their subject matter knowledge;

(5) less than 40 percent of the individuals teaching the core subjects (English, mathematics, science, social studies, and foreign languages) majored or minored in the core subjects; and

(6) according to the Third International Mathematics and Science Study, American students in high school seniors finished near the bottom of the study in both science and mathematics.

(b) PURPOSE.—The purpose of this title is to strengthen teacher training programs by establishing a private and public partnership to create the best teacher training facilities in the world to ensure that teachers receive unlimited access to the most updated technology and skills training in education, so that students can benefit from the teachers' knowledge and experience.

SEC. 402. DEFINITIONS.

In this title:

(1) LOCAL EDUCATIONAL AGENCY.—The term ‘local educational agency’ means each of the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(2) SECRETARY.—The term ‘Secretary’ means the Secretary of Education.

SEC. 403. GRANTS.

(a) IN GENERAL.—From amounts appropriated under section 404 for a fiscal year the Secretary shall award grants to local educational agencies to establish teacher training facilities for elementary and secondary schools.

(b) COMPETITIVE BASIS.—The Secretary shall award grants under this title on a competitive basis.

(c) PARTNERSHIP CONTRACT REQUIRED.—In order to receive a grant under this title, a local educational agency shall enter into a contract with a nongovernmental organization to establish a teacher training facility.

(d) APPLICATIONS.—Each local educational agency desiring a grant under this title shall submit to the Secretary an application at such time, and in such form, and accompanied by such information as the Secretary may require. Each such application shall contain an assurance that the local educational agency—

(1) will raise matching funds, from public or private sources, for the support of the teacher training facility in an amount equal to the amount of funds provided under the grant;

(2) will train the teachers employed by the local educational agency at the teacher training facility for a period of 10 years after the date the agency enters into the contract described in subsection (c); and

(3) will spend not less than 0.5 percent of the local educational agency's total school budget for each fiscal year to support the teacher training facility.

(e) GROWTH AND DEVELOPMENT.—The Secretary shall award each grant under this section in an amount that is not less than $1,000,000 and not more than $4,000,000.

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $8,000,000 for fiscal year 2002, $12,000,000 for fiscal year 2003, $12,000,000 for fiscal year 2004, and $16,000,000 for fiscal year 2005.

By Mr. FRIST (for himself and Mr. THOMPSON)

S. 439. A bill to authorize the establishment of a suboffice of the Immigration and Naturalization Service in Nashville, Tennessee; to the Committee on the Judiciary.

Mr. FRIST. Mr. President, today, I introduce the Nashville INS Sub-office Act along with Senator THOMPSON. This bill addresses important immigration issues facing Tennessee by authorizing funds for a much needed INS sub-office in Nashville.

The Mid-South region is experiencing exceptional population growth from not only other parts of the nation, but also from a significant number of foreign nationals looking to relocate. As a result of this new influx in population, the existing Memphis INS office is overstretched and facing an enormous backlog of cases. As the largest metropolitan area in the state, it only makes sense to open another INS office in Nashville.

The new office would be geographically positioned to better provide the necessary services for individuals living in Middle and East Tennessee. It would also help alleviate the excessive burden facing the Memphis office by transferring a large portion of its workload. The new Nashville sub-office would improve overall services and enable the INS to better address illegal immigration concerns in our area.

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. 439

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 “Nashville INS Sub-office Act”.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Immigration and Naturalization Service field office in Memphis, Tennessee, is designated as a suboffice within the jurisdiction of the district office in New Orleans, Louisiana.

(2) Over the past 10 years, the foreign national population has grown substantially in the jurisdictional area of the Memphis sub-office.

(3) It is estimated that more than 200,000 foreign nationals are residing in the jurisdiction of the Memphis sub-office.

(4) The Memphis sub-office has pending an equal or greater number of cases, and receives as many new cases, as the New Orleans district office.

(5) Approximately 46 percent of the total number of permanent resident applications received by the Memphis sub-office come from individuals residing in middle and eastern Tennessee.

(6) In many instances, such individuals have to travel 3 to 6 hours each way to Memphis to receive service.

(7) Nashville is a logical location for a new Immigration and Naturalization Service sub-office because its central location will reduce such travel time and allow the Immigration and Naturalization Service to provide better and more efficient service to such individuals.

(8) As the largest metropolitan area in the State of Tennessee, major routes from across the State flow into Nashville and air transportation is readily available there.

(9) Establishment of a Nashville sub-office would make a strong statement about the commitment of the Immigration and Naturalization Service to gaining control over illegal immigration and Naturalization Service to provide better and more efficient service to such individuals.

(10) Congress has identified Nashville as a region underserved by the Immigration and Naturalization Service.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $3,000,000 for each fiscal year for fiscal years 2002, 2003, and 2004 for the establishment and operation of a new INS sub-office in Nashville, Tennessee.

The INS Suboffice Act along with Senator THOMPSON.

Mr. FRIST. Mr. President, today I am introducing a package of four bills that will help improve our justice system and honor those law enforcement officers and firefighters who gave their lives in the line of duty.

The first bill I am introducing is the Officer — Dale Claxton Bullet Resistant Police Protective Equipment Act of 2001, an updated version of legislation I introduced during the last Congress.
This bill is named in honor of Officer Dale Claxton of Cortez, CO, a fine law enforcement officer and family man, who was fatally shot through the wind- shield of his patrol car on May 29, 1998, after stopping a stolen truck. His assailants turned out to be dangerous fugitives. Dale Claxton was launched. Officer Claxton was tragically and prematurely taken away from his wife and four children.

The Officer Dale Claxton Act would help law enforcement agencies purchase bullet resistant equipment including bullet resistant glass for law enforcement vehicles, hand-held shields and any other equipment that officers may need when they serve on the front lines of law enforcement. Specifically, this legislation would help our nation’s state and local law enforcement officers acquire the bullet resistant equipment they need to protect themselves from would-be killers. This legislation would authorize the Department of Justice’s Bureau of Justice Assistance to administer a $40 million matching grant program to assist these agencies purchase bullet resistant equipment.

This legislation is a worthy companion, and similar in many ways, to the EPW Partnership Program Act, P.L. 105-181, which I introduced and the President signed into law on June 16, 1998. The legislation I am introducing today would help state and local law enforcement agencies acquire a wider array of bullet resistant equipment to supplement bullet proof vests. As a former deputy sheriff, I am personally aware of the dangers which law enforcement officers face on the front lines every day. One way in which the federal government can improve their safety is to help them acquire bullet resistant glass and other equipment for patrol cars. These partnership grants are especially crucial for officers who serve in small local jurisdictions that often lack the funds to provide their officers with the life saving equipment they may need.

The second component of this legislation would launch an expedited and targeted research and development by authorizing $3 million over 3 years for the Justice Department’s National Institute of Justice, NJI, to conduct research and development of a new bullet resistant technologies, such as bonded acrylic, polyureas, polyurethanes, aluminized material, and transparent ceramics.

Promising new bullet resistant materials now being developed could be as revolutionary in coming years as the development of Kevlar was in the 1970s for the manufacture of body armor. These exciting new technologies promise to be lighter, more versatile and hopefully less expensive than traditional heavy bullet proof glass.

Our Nation’s police officers, sheriffs and deputies regularly put their lives in harm’s way in order to protect people and preserve the peace. They deserve to have access to the bullet resistant equipment they need. The Official Dale Claxton bill will both accelerate the development of new life-saving bullet resistant technologies and then help get them deployed into the field where they are needed. Officers lives will be saved.

I ask my colleagues to support that the Officer Dale Claxton Bullet Resistant Police Protective Equipment Act of 2001 be printed in the RECORD.

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

S. 440

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

SECTION 1. SHORT TITLE. This Act may be cited as the “Officer Dale Claxton Bulletproof Police Protective Equipment Act of 2001”.

SEC. 2. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) Officer Dale Claxton of the Cortez, Colorado, Police Department was shot and killed by bullets that passed through the windshield of his patrol car, which was a stolen vehicle, and his life may have been saved if his police car had been equipped with bullet-resistant equipment;

(2) the number of law enforcement officers who are killed in the line of duty would significantly decrease if every law enforcement officer in the United States had access to additional bullet-resistant equipment;

(3) according to studies, between 1990 and 2000, 1,700 law enforcement officers in the United States were shot and killed in the line of duty;

(4) the Federal Bureau of Investigation estimates that the risk of fatality to law enforcement officers while not wearing bullet-resistant equipment, such as an armor vest, is 14 times higher than for officers wearing an armor vest; and

(5) the Executive Committee for Indian Country Law Enforcement Improvements reports that violent crime in Indian country has risen sharply despite a decrease in the national crime rate, and has concluded that there is a “public safety crisis in Indian country”.

(b) PURPOSE.—The purpose of this Act is to save lives of law enforcement officers by helping State, local, and tribal law enforcement agencies provide officers with bullet-resistant equipment and video cameras.

SEC. 3. MATCHING GRANT PROGRAM FOR LAW ENFORCEMENT BULLET-RESISTANT EQUIPMENT.

(a) IN GENERAL.—Part Y of title I of the Omnibus Crime Control and Safe Streets Act of 1986 is amended—

(1) by striking the part designation and part heading and inserting the following:

“PART Y—MATCHING GRANT PROGRAMS FOR LAW ENFORCEMENT

Subpart A—Grant Program for Armor Vests’’;

(2) by striking ‘‘this part’’ each place that term appears and inserting ‘‘this subpart’’; and

(3) by adding at the end the following:

Subpart B—Grant Program for Bullet-Resistant Equipment

SEC. 2511. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Director of the Bureau of Justice Assistance is authorized to make grants to States, units of local government, and Indian tribes to purchase bullet-resistant equipment for use by State, local, and tribal law enforcement officers.

(b) USES OF FUNDS.—Grants awarded under this section shall be—

(1) distributed directly to the State, unit of local government, or Indian tribe; and

(2) used for the purchase of bullet-resistant equipment for law enforcement officers in the jurisdiction of the Tribe receiving funds, if feasible, to an application from a jurisdiction that—

(c) PREFERENTIAL CONSIDERATION.—In awarding grants under this subpart, the Director of the Bureau of Justice Assistance shall give preferential consideration, if feasible, to an application from a jurisdiction that—

(1) has the greatest need for bullet-resistant equipment based on the percentage of law enforcement officers in the department who do not have access to a vest;

(2) has a violent crime rate at or above the national average as determined by the Federal Bureau of Investigation; or

(3) has not received a block grant under the State and Local Law Enforcement Assistance Grant program described under the heading ‘State and Local Law Enforcement Assistance’ of the Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2001 (Public Law 106-553).

(d) MINIMUM AMOUNT.—Unless all eligible applications submitted for a fiscal year under this section are funded, funds appropriated under this heading shall be allocated in each fiscal year under this section not less than 0.5 percent of the total amount appropriated in the fiscal year for law enforcement assistance to the States that the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands shall each be allocated 0.25 percent.

(e) MAXIMUM AMOUNT.—The amount appropriated for grants under this section for a fiscal year shall not exceed 5 percent of the total amount appropriated in the fiscal year for National programs other than grants under this heading.

(f) ALLOCATION OF FUNDS.—At least half of the funds available under this subpart shall be awarded to units of local government with fewer than 100,000 residents.

SEC. 2512. APPLICATIONS.

(a) IN GENERAL.—To request a grant under this subpart, the chief executive of a State, unit of local government, or Indian tribe shall submit an application to the Director of the Bureau of Justice Assistance in such form and containing such information as the Director may reasonably require.

(b) REGULATIONS.—Not later than 90 days after the date of enactment of this subpart, the Director of the Bureau of Justice Assistance shall promulgate regulations to implement this section (including the information that must be included and the requirements that the States, units of local government, and Indian tribes must meet) in submitting the applications required under this subpart.

(c) ELIGIBILITY.—A unit of local government that receives funds under this Local Law Enforcement Block Grant program, described under the heading ‘State and Local Law Enforcement Assistance’ of the Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 2001 (Public Law 106-553), during a
fiscal year in which it submits an application under this subpart shall not be eligible for a grant under this subpart unless the chief executive officer of such unit of local government certifies and provides an explanation to the Director that the unit of local government considered or will consider using funding received under the block grant program to pay any of the costs relating to the purchase of bullet-resistant equipment, but did not, or does not expect to use such funds for such purpose.

SEC. 3. DEFINITIONS.

(1) the term ‘equipment’ means wind-shield glass, car panels, shields, and protective gear;

(2) the term ‘State’ means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, American Samoa, Guam, and the Northern Mariana Islands;

(3) the term ‘unit of local government’ means a county, municipality, town, township, village, parish, borough, or other unit of general government below the State level;

(4) the term ‘Indian tribe’ has the same meaning as in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450v(e)); and

(5) the term ‘law enforcement officer’ means any officer, agent, or employee of a State or local government, or Indian tribe authorized by law or by a government agency to engage in or supervise the prevention, detection, or investigation of any violation of criminal law, or authorized by law to supervise sentenced criminal offenders.’.

(b) Authorization of Appropriations.

Section 1001(a) of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3793(a)) is amended by striking paragraph (B) $40,000,000 for each of fiscal years 2002 through 2004.

SEC. 4. Sense of Congress.

In the case of any equipment or products that may be authorized to be purchased with appropriated or otherwise made available by this Act, it is the sense of Congress that each unit of local government, or Indian tribe, that may be authorized to purchase with appropriated or otherwise made available by this Act, that may be authorized to purchase with appropriated or otherwise made available by this Act, shall give priority in testing and engineering surveys to law enforcement partnerships developed in coordination with high-intensity drug trafficking areas.

S. 441. A bill to provide Capitol-flown flags to the families of law enforcement officers and firefighters killed in the line of duty; to the Committee on Rules and Administration.

Mr. CAMPBELL. Mr. President, the second bill I am introducing today is the ‘Fallen Law Enforcement Officers and Firefighters Flag Memorial Act of 2001.’

I am pleased to be joined today by my colleagues, Senators MCCONNELL, FEINGOLD, INOUYE, LEVIN, DAFTON, MR. LUGAR, and MR. STEWART.

S. 442. A bill to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed firearms and to allow States to enter into compacts to recognize other States’ concealed weapons permits; to the Committee on the Judiciary.

Mr. CAMPBELL. Mr. President, the third bill I am introducing today is a bill to authorize states to recognize other’s concealed weapons permits in order to facilitate the right of law-abiding citizens to carry concealed firearms. This legislation is designed to support the rights of States and to facilitate the right of law-abiding citizens as well as law enforcement officers to protect themselves, their families, and their property.

The language of this bill is based on S. 727, which I introduced in the 106th Congress. Specifically, this bill allows States to enter into compacts, known as ‘compacts,’ to recognize the concealed weapons laws of those States included in the compacts. This is not a
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 “Law Enforcement Protection Act of 2001.”

SEC. 926B. CARRYING OF CONCEALED FIREARMS BY QUALIFIED CURRENT AND FORMER LAW ENFORCEMENT OFFICERS.

(a) In General.—Chapter 44 of title 18, United States Code, is amended by inserting after section 926A the following:

"926B. Carrying of concealed firearms by qualified current and former law enforcement officers.

"(a) In General.—Notwithstanding any provision of the law of any State or any political subdivision of a State, an individual may carry a concealed firearm if that individual is—

"(1) a qualified law enforcement officer or a qualified former law enforcement officer; and

"(2) carrying appropriate written identification.

"(b) Effect on Other Laws.

"(1) COMMON CARRIERS.—Nothing in this section shall be construed to exempt from section 46505(b)(3) of title 49—

"(A) a qualified law enforcement officer who does not meet the requirements of section 46505(b) of title 49; or

"(B) a qualified former law enforcement officer.

"(2) FEDERAL LAWS.—Nothing in this section shall be construed to supersede or limit any Federal law or regulation prohibiting or restricting the possession of a firearm on any Federal property, installation, building, base, or park.

"(3) STATE LAWS.—Nothing in this section shall be construed to supersede or limit the laws of any State that—

"(A) grant rights to carry a concealed firearm that are broader than the rights granted under this section;

"(B) permit private persons or entities to prohibit or restrict the possession of concealed firearms on their property; or

"(C) prohibit the possession of firearms on any State or local government property, installation, building, base, or park.

"(4) DEFINITIONS.—In this section:

"(A) APPROPRIATE WRITTEN IDENTIFICATION.—The term ‘appropriate written identification’ means, with respect to an individual, a document that—

"(i) was issued to the individual by the public agency with which the individual serves or served as a qualified law enforcement officer; and

"(ii) identifies the holder of the document as a current or former officer, agent, or employee of that public agency;

"(B) FIREARM.—The term ‘firearm’ means, any firearm that has, or of which any component has, traveled in interstate or foreign commerce.

"(C) QUALIFIED FORMER LAW ENFORCEMENT OFFICER.—The term ‘qualified former law enforcement officer’ means an individual who—

"(i) retired from service with a public agency, other than for reasons of mental disability;

"(ii) immediately before such retirement, was a qualified law enforcement officer with that public agency;

"(iii) has a nonforfeitable right to benefits under the retirement plan of the agency;

"(iv) was not separated from service with a public agency due to a disciplinary action by the agency that prevented the carrying of a firearm;

"(v) meets the requirements established by the State in which the individual resides with respect to—

"(A) a current law enforcement officer;

"(B) training in the use of firearms; and

"(vi) is not prohibited by Federal law from receiving a firearm.

"(D) QUALIFIED LAW ENFORCEMENT OFFICER.—The term ‘qualified law enforcement officer’ means an individual who—

"(i) is presently authorized by law to engage in, or supervise, detection, investigation, or a subject of a disciplinary action by the agency that prevents the carrying of a firearm.’’

"(b) CEREMONIAL AMENDMENT.—The chapter analysis for chapter 44 of title 18, United States Code, is amended by inserting after the item relating to section 926A the following:

"926B. Carrying of concealed firearms by qualified current and former law enforcement officers.”

SEC. 3. AUTHORIZATION TO ENTER INTO INTERSTATE COMPACTS.

(a) In General.—The consent of Congress is given to any 2 or more States—

"(1) to enter into compacts or agreements for cooperative effort in enabling individuals to carry concealed weapons as dictated by laws of the State within which the owner of the weapon resides and is authorized to carry a concealed weapon; and

"(2) to establish standards or guidelines as they may determine to be appropriate for making effective such agreements and compacts.

(b) RESERVATION OF RIGHTS.—The right to alter, amend, or repeal this section is hereby expressly reserved by Congress.

By Mr. CAMPBELL:

S. 443. A bill to amend chapter 44 of title 18, United States Code, to increase the maximum term of imprisonment for offenses involving stolen firearms; to amend title II of the Elementary and Secondary Education Act of 1965 to support teacher corps programs, and for other purposes; to
the Committee on Health, Education, Labor, and Pensions.

Mr. WELLSTONE. Mr. President, if there is one thing we all can agree on in education, it is that quality teachers are absolutely critical to how well children learn. Yet, the nation confronts one of the worst teacher shortages in history. With expanding enrollment, decreasing class size and one third of the nation’s teachers nearing retirement age, public schools will need to hire as many as 2.2 million teachers over the next decade.

The need is greatest in specific subject areas such as mathematics, science, special education and bilingual education, all important subjects if the nation is to have an educated work force to keep it competitive in the world marketplace.

Teacher shortages are also greatest in specific geographical areas such as the inner city and rural areas. Ironically, it is the most educationally and socially disadvantaged students that are under-served. If there is one action we can take that is guaranteed to help struggling schools and children, it is to provide states and school districts the means to ensure that there is a highly qualified teacher in every classroom.

My bill, Teacher Corps, which I am proud to introduce today with my colleagues, Senators KENNEDY and SCHUMER, who for so long have fought to decrease class size and one third of history. With expanding enrollment, one of the worst teacher shortages in America, it is that quality teachers in education, it is that quality teachers are absolutely critical to how well children learn.

In my travels to schools around Minnesota and the country I see a great deal of that magic happening. That is why it is so tragic to think that there are so many children that do not have access to qualified teachers, at the same time that many people interested in teaching are either not entering the profession or are not staying there once they have qualified.

Teacher Corps will help meet the growing need for teachers in low income urban and rural schools, and in high need subject areas such as math, science, bilingual and special education.

It will do so because Teacher Corps is rooted in three fundamental parts. Recruitment, retention and innovative, flexible, high quality training programs for college graduates and mid-career professionals who want to teach in high need areas.

The first principle is recruitment. As I mentioned before, we may need to hire as many as 2.2 million new teachers in the next decade to ensure that there are teachers in our schools. But, overall quantity is not the only issue. Quality and shortages in specific geographic and curriculum areas are equally critical. While there are teacher surpluses in some areas, certain states and cities are facing acute teacher shortages. In California, 1 out of every 10 teachers lacks proper credentials. Fifty-eight percent of new hires in Los Angeles are not certified.

There are also crucial shortages in some of the hardest to teach subjects such as math, science, science, bilingual and special education. In my home state of Minnesota, 90 percent of principals report a serious shortage of strong candidates in at least one curriculum area. Fifty-four percent of the mathematics teachers in the state of Idaho and 48 percent of the science teachers in Florida and Tennessee did not major in the subject of their primary assignment.

The report recently released by the Commission on Teaching and America’s Future highlights this problem in the area of math and science teaching. The Glenn Commission—in its report ominously, but accurately, titled “Before It’s Too Late”—called on all the decision-makers in our country to establish an ongoing system to improve the quality of mathematics and science teaching in our elementary and secondary schools and to improve the quality of those teachers’ preparation for the classroom.

Teacher Corps would meet this need because it would recruit and train thousands of high quality teachers into the field to meet the specific teaching needs of local school districts.

It would recruit and train top college students and mid-career professionals from around the country, who increasingly want to enter the teaching profession.

More college students want to enter teaching today than have wanted to join the profession in the past 30 years. In the surveys of incoming college students that UCLA conducts each fall, in recent years over 10 percent of all freshmen consistently have said they want to teach in elementary and secondary schools.

Second, the design of the program ensures that the needs of local school districts will be considered so that only those candidates who meet the specific needs of that district will be recruited and trained. If, for example, there is a shortage of special education, bilingual, math and science teachers in a particular district, Teacher Corps would train people with only those skills. In setting up cooperatives in this way, teacher corps helps avoid the production of teachers in areas where they are not needed.

Finally, Teacher Corps gives priority to high-need rural, inner suburban and urban districts to ensure that new teachers will enter where they are needed most.

However, it does not help to recruit teachers into high-need schools and train them if we cannot retain them in the profession. Teaching is one of the hardest, most important jobs there is. We ask teachers to prepare our children for adulthood. We ask them to educate our children so that they may be productive members of society. We entrust them with our children’s minds and with their future. It is a disgrace how little support we give them in return.

It is no surprise that one of the major causes of our teacher shortage is that teachers decide to change professions before retirement. Seventy-three percent of Minnesota teachers who leave the profession, leave for reasons other than retirement. In urban schools, 50 percent of teachers leave the field within five years of when they start teaching.

To retain high quality teachers in the profession, we must give teachers the support they deserve. Teachers, like doctors, need mentoring and support during the first years of their professional life. Teacher Corps offers new teachers the training, mentoring and support they need to meet the profession’s many challenges. It includes methods of support that have proven effective in ensuring that teachers stay in schools. The key elements for effective support are clearly laid out in a report issued by the National Commission on Teaching and America’s Future in 1996. Effective programs organize professional development around standards for teachers and students; provide a year long, pre-service internship, ongoing and strong evaluation of teacher skills; offer stable, high quality professional development.
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Each of these criteria are included in the Teacher Corps program.

Further, Teacher Corps supports people who choose teaching by paying for their training. Through this financial and professional support, Teacher Corps is going a long way toward keeping recruits in teaching.

But, it is still not enough to recruit and retain teachers. Quality must be of primary importance. Research shows that the most important predictor of student success is not income, but the quality of the teacher. Despite this need, studies show that as the proportion of students of color and students from low-income families increases in schools, the test scores of teachers decline.

This is wrong. We are denying children from low income areas, children from racial minorities, children with limited English proficiency, access to what we know works. Several studies have shown that if poor and minority students are taught by high quality teachers at the same rate as other students, a large part of the gap between poor and minority students and their more fortunate white counterparts would disappear. For example, one Alabama study shows that an increase of one standard deviation in teacher test scores leads to a two-thirds reduction in the gap between black/white test scores.

We cannot turn our back on this knowledge. We must act on it. We must give low income, minority and limited English proficiency children the same opportunities that all children have and we must do it now.

The very essence of Teacher Corps is to funnel high quality teachers where they are needed most. Teacher Corps would help ensure quality by using a selective, competitive recruitment process. It would provide high quality training, professional development, mentoring and evaluations of corps member performance, all of which have been proven to increase the quality of the teaching force and the achievement of the students they teach.

Further, by creating strong connections between universities and districts and by implementing effective professional development projects within districts, we are setting up powerful structures to benefit all teachers and students.

We have an opportunity to do what we know works to help children who need our help most. Good teachers have an extraordinary impact on children’s lives and learning. We need to be sure that all children have access to such teachers and all children have the opportunity to learn so that all children may take advantage of the many opportunities this country provides.

By Mr. WELLSTONE:

S. 446. A bill to provide for local family information centers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. WELLSTONE. Mr. President: I rise today to introduce legislation that will go a long way to increase the accountability of our schools and to help parents become more involved in their children’s education. We all know that families are crucial to improving our nation’s schools. To ensure that schools and students meet challenging educational goals, families must be involved. Parents must insist that their children get the best education. They must understand, shape and support the reforms in their schools; and, they must work with schools to help all children meet challenges.

We know that when families are fully engaged in the educational process, students have: higher grades and test scores; better attendance and more homework done; fewer placements in special education; more positive attitudes and behavior; higher graduation rates; and greater enrollment in post-secondary education.

For school reforms to help all children, we must move to ensure that both parents are involved in their children’s education. For many parents, this is not an easy task. Parents, particularly those who have limited English proficiency, those who are homeless, or those who have a troubled history with the schools, need outside help to get the information, support, and training they need to help their children navigate through the school system.

Parent involvement is more important now than ever before. As we move in the direction of increased accountability, high stakes testing and expanded public school choice, it is critical that parents know everything that is required of them and their children. They need to be sure that they have access to every aspect of their child’s schooling, or their child could easily be left behind.

Current provisions in Title I of the Elementary and Secondary Education Act provide for important ways for parents to get involved in their children’s education. However, in some cases, parent involvement of the type envisioned by Title I remains a distant goal. Many Title I schools, though not all, have failed to fully bring parents into the development of parent involvement policies, school-parent compacts, and into planning and improvement for the school as provided for in Title I. Therefore, it is essential for us to have an independent source of information and support that they understand and trust so that they can participate in an informed and effective manner and help move the schools toward the goal of full parental participation.

To achieve this critical end, this legislation would provide competitive grants to community-based organizations to establish Local Family Information Centers. These centers, made up of community members as well as professionals from the Title I schools in the area, should have a track record of effective outreach and work with low income communities. They, in consultation with the school district, would develop a plan to provide parents with the full support that they need to be partners in their children’s education. For example, they would help parents understand standards, tests, accountability and other laws; understand and participate in the implementation of parent involvement requirements of ESEA, including; understand school choice options; and, communicate effectively with school personnel.

This legislation is essential because it would reach and assist parents most isolated from participation by poverty, race, limited English proficiency and other factors. It is essential because ultimately, it should be parents that are the best judges of accountability in schools. It is essential because of what we know about how children learn—that children who are the farthest behind make the greatest gains when their parents are part of their school life.

Many schools do a very good job of involving parents in education reform. This bill does nothing but ensure that parents have the option of independent voice in districts where schools do not do such a good job. If we are to educate our children, we must also educate and empower their parents. This legislation provides one necessary means to do so.

By Mr. CRAPO (for himself and Mr. CRAIG):

S. 446. A bill to preserve the authority of the States over water within their boundaries, to delegate to States the authority of Congress to regulate water, and for other purposes; to the Committee on the Judiciary.

Mr. CRAPO. Mr. President, I rise to introduce the State Sovereignty Protection Act, a bill to preserve the authority of the States over waters within their boundaries, to delegate the authority of the Congress to the States to regulate water, and for other purposes.

Since 1866, Congress has recognized and deferred to the States the authority to allocate and administer water within their borders. The Supreme Court has confirmed that this is an appropriate role for the States. Additionally, in 1952, the Congress passed the McCarran amendment which provides for the adjudication of State and Federal Water claims in State courts.

However, despite both judicial and legislative edicts, I am deeply concerned that the administration, Federal agencies, and some in the Congress are setting the stage for ignoring long established statutory provisions, and consequently, in interfering with States’ water rights and State water contracts. The Endangered Species Act, the Clean Water Act, the Federal Land Policy Management Act, and
wilderness designations have all been vehicles used to erode State sovereignty over it water. It is imperative that States maintain sovereignty over management and control of their water and water systems. All rights to water or reservations of rights for any purpose in States should be subject to the substantive and procedural laws of that State, not the Federal Government. To protect State water rights, I am introducing the State Water Sovereignty Protection Act.

The State Water Sovereignty Protection Act provide that whenever the United States seeks to appropriate water or acquire a water right, it will be subject to State procedural and substantive water law. The Act further holds that States control the water within their boundaries and that the Federal Government may exercise management or control over water only in compliance with State law. Finally, the Act provides that the federal government to pay the same filing fees and costs associated with state and private water rights' adjudications as is currently required of states and private parties.

To establish relative rights to water—water that is the lifeblood of many states, particularly in the west—states must conduct lengthy, complicated, and expensive proceedings in water rights' adjudications. In 1952, Congress recognized the necessity and benefit of requiring federal claims to be adjudicated in these state proceedings by adopting the McCarran Amendment. The McCarran amendment waives the sovereign immunity of the United States and requires the federal government to pay the same filing fees and costs associated with state water rights' adjudications as is currently required of states and private parties.

These federal claims are typically among the most complicated and largest of claims in state adjudications, and federal agencies are often the primary beneficiary of adjudication proceedings where states officially quantify and record their water rights. However, in 1992, the United States Supreme Court held that, under existing law, the U.S. need not pay fees for processing federal claims. When the United States does not pay a proportionate share of the costs associated with adjudications, the burden of funding the proceedings unfairly shifts to other water users and often delays completion of the adjudications by diminishing the resources necessary to complete them. Delays in completing the adjudications result in the inability to protect private and public property interests or determine how much unappropriated water may remain to satisfy important environmental and economic development priorities.

Additionally, because they are not subject to fees and costs like other water users in the adjudication, federal agencies can file questionable claims without facing court costs, inflating the number of their claims for future negotiation purposes. This creates an unlevel playing field favoring the federal agencies and places a further financial and resources burden on the system.

For example, in the Snake River Basin adjudication, which is in Idaho and is probably the largest water adjudication proceeding in the country, the U.S. filed over 1,727 claims—more than 3,700 federal claims. The Idaho Department of Water Resources expended thousands of dollars giving notice to all other claimants, additionally, the State of Idaho and private claimants spent over $800,000 preparing objections to the Federal Service's claims. On the eve of the objection deadline, the USK withdrew all but 71 of the claims—the Department of Justice's explicit strategy. This example is not an isolated incident. At best, the taxpayers and states should not be forced to incur these costs simply because the agency does not take the time to seriously evaluate its claims. At worst, the taxpayers should not bear the brunt of the federal government's Machiavellian tactics.

I recognize that the federal government has a legitimate right to some water use, but the federal government should play by the same rules as the states and other private users. The Water Adjudication Fee Fairness Act is legislation that remedies this situation by establishing when the United States, when party to a general adjudication, to the same fees and costs as state and private users in water rights adjudications.

This measure has the full support of the Western States Water Council and the Western Governor's Association. I ask my colleagues to join me in supporting water users, taxpayers, the states, and welcome their co-sponsorship.

I ask unanimous consent that a copy of this legislation be printed in the RECORD.

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

SEC. 2. FINDINGS. The Congress finds the following:

(1) Generally, water allocation in the western United States is based upon the doctrine of prior appropriation, under which water users' rights are quantified under State law. Appropriative rights carry designated priority dates that establish the relative right to use water from a source. Most States in the West have developed judicial and administrative proceedings, often called general adjudications, to quantify and document priority appropriate rights, thereby designating the rights to water claimed by the United States under either State or Federal law.

(2) State general adjudications are typically complicated, expensive civil court and administrative actions that can involve hundreds or even thousands of claimants. Such adjudications give certainty to water rights, provide direction for water administration, and reduce conflict over water allocation and water usage. Thus, the claimant establishing rights to water are the primary beneficiaries of State general adjudication proceedings.

The Congress has recognized the benefits of the State general adjudication system, and by enactment of section 208 of the Department of Justice Appropriation Act, 1998, (P.L. 104–208, 110 Stat. 2728 ("McCarran Amendment")), required the United States to submit to State court jurisdiction and to file claims in State general adjudication proceedings.

(4) Water rights claims by Federal agencies under either State or Federal law are often the largest or most complex claims in State general adjudications. For example, the United States Supreme Court, in the case United States v. Idaho, 508 U.S. 1 (1992), determined that the McCarran Amendment does not require the United States to pay fees simply because they were misconstrued or perceived to be the same as costs taxed against all parties.

(5) Since Federal agency water rights claims are among the most difficult to adjudicate, and since the United States is not required to pay some fees and costs paid by non-Federal claimants, the burden of funding adjudication proceedings unfairly shifts to private water users and State taxpayers.

(6) The lack of Federal Government funding to support State general adjudications in relation to the complexity of the claims involved has produced significant delays in completion of many State general adjudications. These delays reduce the ability of both the States and Federal agencies to protect private and public property interests. Also, failure to complete the final adjudication of claims to water restricts the ability of resource managers to determine how much unappropriated water is available to satisfy environmental and economic development priorities.

SEC. 3. LIABILITY OF UNITED STATES FOR FEES AND COSTS IN WATER USE RIGHTS PROCEEDINGS. (a) In General.—In any State administrative or judicial proceeding for the adjudication or administration of rights of the United States in which the United States is a party, the United States shall be subject to the imposition of fees and costs on its claims to water rights under either State or Federal law to the same extent as a private party to the proceeding.

(b) Application.—Subsection (a) shall apply to proceedings initiated to the date of enactment of this Act, including with respect to fees and costs imposed in such a proceeding before the date of enactment of this Act.

(c) Report to Congress.—The head of any Federal agency that files or has pending any
water rights claim shall prepare and submit to the Congress, within 90 days after the end of each fiscal year, a report that identifies—

(1) each such claim filed by the agency that has been denied;

(2) all fees and costs imposed on the United States for each claim identified under paragraph (1);

(3) any portion of such fees and costs that has not been paid; and

(4) the source of funds used to pay such fees and costs.

(Fees and Costs Defined)—In this section, the term ‘fees and costs’ means any administrative fee, administrative cost, claim fee, judicial fee, or judicial cost imposed under a party claim approving authority with respect to the use of water under either State or Federal law in a State proceeding referred to in subsection (a).

By Mr. DOMENICI (for himself and Mr. HATCH):

S. 448. A bill to provide permanent appropriations to the Radiation Exposure Compensation Trust Fund to make payments under the Radiation Exposure Compensation Act (42 U.S.C. 2210 note); to the Committee on Appropriations.

S. 449. A bill to ensure the timely payment of benefits to eligible persons under the Radiation Exposure Compensation Act (42 U.S.C. 2210); to the Committee on Appropriations.

Mr. DOMENICI. Mr. President, I rise today to introduce two bills that will provide full funding for the Radiation Exposure Compensation Trust Fund.

One of the unfortunate consequences of our country’s rapid development of its nuclear weapons programs was that many of those who worked in the early uranium mines became afflicted with debilitating and too often deadly diseases, including various cancers and respiratory illnesses. These miners and their families lived under tough conditions. Some lived in one-room houses located as close as 200 feet from mine shafts. Their children played near the mines and their families drank underground water that exposed them to radiation. The miners endured long, uncomfortable days many feet underground.

One such miner was Paul Hicks, for whom this bill is named. Mr. Hicks of Grants, NM, was a uranium miner for twelve years in New Mexico. He later worked as lead miner, a shift boss, and ended his career as a mine foreman. Paul was the President of the New Mexico Uranium Miners Council and he introduced legislation to make all future payments to those individuals who have already been approved for benefits.

Frankly, this is unconscionable. Those who helped protect our nation’s security through their work on our nuclear programs should be compensated for the enormous price they paid. Anything less is unacceptable.

Senator HATCH and I propose a bill seeking $84 million in emergency supplemental appropriations to pay those claims that have already been approved as well as the projected number of approved claims for FY 2001. We are also introducing legislation to make all future payments for approved claims mandatory.

With this legislation, we will ensure that those who gave so much for our nation will at least receive their deserved benefits. We must never again let their sacrifice go unanswered.

Mr. President, I ask unanimous consent that a Department of Justice IOU letter be printed in the RECORD. The letter is to be printed in the RECORD, as follows:

To RECA Claim No. 201

Re: RECA Claim No. 201

Claimant: 

DEAR MS. ————, I am pleased to inform you that your claim for compensation under the Radiation Exposure Compensation Act has been approved. Regrettably, because the money available to pay claims has been exhausted, we are unable to send a check to pay your claim at this time.

When Congress provides additional funds, we will contact you to commence the payment process.

Thank you for your understanding.

Sincerely,

GERARD W. FISCHER,
Assistant Director, Torts Branch, Civil Division.

Mr. HATCH. Mr. President, today I am joining with my esteemed colleague and chairman of the Budget Committee, Senator DOMENICI, in introducing two pieces of legislation that will ensure the full funding of the Radiation Exposure Compensation Act, RECA, Trust Fund.

As the original sponsor of the Radiation Exposure Compensation Act of 1990 and the subsequent amendments to the Act, S. 1515 which was enacted last year, I am pleased that this program has provided much needed compassionate compensation to thousands of individuals. And, although many RECA eligible individuals have received compensation, it is now apparent that a funding shortfall exists within the program resulting in hundreds of individuals not receiving their payments.

The legislation Senator DOMENICI and I are introducing today is designed to meet the funding shortfall so that all eligible individuals who are approved for compensation will receive their payment and not an ‘IOU’ from the Justice Department.

The first bill ensures the timely payment of benefits to eligible persons by providing $84 million to the RECA Trust Fund for fiscal year 2001. The money will be available to the Justice Department to fund the existing claims that have already been processed as well as anticipated claims of the remaining of this fiscal year.

The second bill provides for a permanent appropriation to the RECA Trust Fund beginning in fiscal year 2002, and thereafter, such sums as may be necessary to meet the financial obligations of approved claims.

Both of these bills are needed in order to pay those individuals who have qualified under the original 1990 Act and the RECA 2000 amendments, as signed into law last July 10, 2000, but who have not received their payment yet. It is essential that this program is the current depleted. Moreover, as a result of the passage of RECA 2000, we have extended compensation to additional deserving citizens who have suffered mightily as a result of the cold war atomic testing programs.

In addition, the legislation we are introducing today provides that funding for the RECA trust fund be made through a permanent appropriation. This provision will provide certainty and stability in financing the trust fund, thereby ensuring that eligible individuals receive their compensation.

I want to thank my colleague, Senator DOMENICI, for his commitment to...
resolving this very difficult problem that many individuals are now facing. It is simply unfair for the federal government to promise compensation to harmed individuals and then tell these same people that there are no federal dollars to pay their claims. This situation is completely unacceptable.

I would also like to add, in this context, that within the next few weeks I will be introducing additional legislation that will not only complement the bills introduced today but will also provide for necessary refinements and technical changes to improve the administration of the RECA program. I will have more to say about this legislation when it is introduced within the next several weeks.

I urge my colleagues to join me in supporting these important measures.

By Mr. Nelson of Florida:
S. 450. A bill to amend the Gramm-Leach-Bliley Act to provide for enhanced protection of nonpublic personal information, including health information, and for other purposes; to the Committee on Finance.

Mr. Nelson of Florida. Mr. President, I rise today to express my grave concern about the administration's decision that apparently favors the interests of big insurance companies over the rights of Americans. I was dismayed to learn on Tuesday that the Secretary of Health and Human Services prevented new medical privacy rules from coming into effect. In essence, these rules would have prevented doctors and insurers from sharing private medical information about their patients.

The delay ostensibly is to allow further discussion. But it makes no sense. The rules have been debated in Washington for years. The Secretary's decision was unfortunate. There are no acceptable excuses for their delay. Consumers deserve to have their personally identifiable information protected from prying eyes.

I promised the people of my State in the course of the last six to eight months of the discussion in the course of the campaign that I would make protecting their privacy one of my top priorities, because too often these days, personally identifiable medical and financial information is being shared, bought, or sold, and it is being done without the consent of the consumer. This practice must stop. It is our job to pass legislation that will consent it.

Today, I am going to be introducing two bills that begin to address aspects of the privacy crisis. Both bills build upon the undeniable principle that information gathered for one purpose should never be disclosed, made available, used for another purpose without the consumer's consent.

Clearly, we should be able to share information with our doctor that we don't want revealed to other people, particularly an employer or a money lender. I am going to work hard to try to pass these privacy protections for every American.

The first bill prohibits banks and financial institutions from sharing private customer information. I strongly believe that financial institutions should not be allowed to pass along confidential customer, financial, or medical information to affiliates, business partners, or others who wish to turn a profit from an individual's personal data.

I have a little bit of background in this because 6 years ago, when I had the privilege of being the elected insurance commissioner of the State of Florida, there was a case in front of the U.S. Supreme Court entitled Barnett Banks v. Bill Nelson, in my capacity as insurance commissioner. The issue was on a technical question of a 1916 Federal law as to whether or not banks could sell or rent information. The court ruled, and quite correctly on the basis of that law, that it pertained to the business of insurance, the upshot of which was that banks could sell insurance. In my argument, we noted that if that occurred, there was always the possibility that the consumer had lost protection against coercion and protecting them against privacy rights being invaded.

As a result of that unanimous Supreme Court decision, Congress then, in 1999, enacted the Financial Services Modernization Act. By the minute of the closing of the session in October, the promise was made that, if you can pass this bill now, we will come back next year—the year 2000—and enact the privacy protections. That promise was not fulfilled in the year 2000.

For under the present condition of the law, there is a gaping loophole on privacy protection. In an era of mergers, under the new law, banks can now join with insurance companies and then evaluate the medical information of their affiliates' policyholders before deciding whether or not to issue a loan.

What my legislation will do is require the express written consent of the consumer before any personally identifiable medical information can be shared or sold, and the express consent of the consumer before any personally identifiable financial information can be shared or sold.

For the consumer, privacy should always be the assumption. To prevent coercion, this legislation I am introducing prohibits banks and financial companies from denying service to customers who refuse to consent to the sale of their personally identifiable financial and medical information. To make sure financial institutions take this law seriously, under the legislation, officers of the company can incur personal liability for failing to comply.

This is a serious problem: the invasion of our privacy under the current condition of the law demands a serious remedy. I am going to be encouraging all of our colleagues to join with me and fulfill the promise that the Congress made in 1999 in the enactment of the Financial Services Modernization Act by plugging this gaping loophole where there is no privacy protection.

There is a second bill that I am introducing today. It makes the selling or providing of an individual's Social Security number a Federal crime. Social Security numbers are often the key to unlocking vast stores of personal information, both in the private sector and the Federal Government. If there is any personal identification number, it is the Social Security number. We look all around us and we see that identity theft has grown at an alarming rate during the past decade—in many cases, through the Social Security number abuse.

My goodness, we have heard of credit cards being established in somebody else's name by the theft of their Social Security number and running up huge bills. We have heard these stories over and over, and even the confusion caused by identity theft, where crimes are reported to be attributed to an individual who does not have anything to do with it.

When a Social Security number falls into the wrong hands, tremendous financial and personal damage can be incurred. To tackle this terrible problem, this legislation that I am introducing today establishes criminal and monetary penalties. The bill creates both prison terms and fines of up to $100,000 for buying or selling Social Security numbers.

I hope in this field of privacy protection that the Senate is going to ultimately fulfill the promise that it made 2 years ago and move quickly in this session to protect the privacy of our American citizens.

I ask unanimous consent that the text of both bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 450
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 'Financial Institution Privacy Protection Act of 2001'.''

SEC. 2. PROTECTION OF PRIVATE HEALTH INFORMATION.
Section 509(4) of the Gramm-Leach-Bliley Act (15 U.S.C. 6809(4)) is amended by adding at the end the following:

(1) that is created or received by a health care provider, health researcher, health plan, health oversight agency, public health authority, employer, health or life insurer, school or university; and

(2) that relates to—

(i) relates to the past, present, or future physical or mental health or condition of an individual (including individual cells and their components), the provision of health
SEC. 2. PROHIBITION OF THE SALE OR PURCHASE OF A SOCIAL SECURITY NUMBER.

(a) DEFINITIONS.—In this section:

(1) PURCHASE.—The term "purchase" means providing directly or indirectly, anything of value in exchange for a social security number.

(2) SALE.—The term "sale" means obtaining, directly or indirectly, anything of value in exchange for a social security number.

(3) SOCIAL SECURITY NUMBER.—The term "social security number" has the meaning given in that term in section 208(c) of the Social Security Act (42 U.S.C. 408(c)), and includes a social security account number (as defined in such section) and any identifying portion or derivative of such number.

(b) PROHIBITION OF THE SALE OR PURCHASE OF A SOCIAL SECURITY NUMBER.—No person may sell or purchase a social security number.

(c) CIVIL MONEY PENALTIES.—

(1) IN GENERAL.—Any person who the Attorney General determines has violated subsection (b) shall be subject, in addition to any other penalties that may be prescribed by law, to a civil money penalty of not more than—

(A) in the case of an individual, $10,000 for each such violation; and

(B) in the case of any other person, $100,000 for each such violation.

(2) ENFORCEMENT PROCEDURES.—The provisions of section 1128A of the Social Security Act (42 U.S.C. 1320a-7a) (other than subsections (a), (b), (f), (h), (i), (j), and (m), and the first sentence of subsection (c)), and the provisions of subsections (d) and (e) of section 205 of the Social Security Act (42 U.S.C. 405), shall apply to a civil money penalty imposed under this subsection in the same manner as such provisions apply, respectively, to civil money penalties imposed under section 1128A(a) of that Act or to a hearing, investigation, or other proceeding authorized or directed under title II of that Act, except that, for purposes of this paragraph, any reference in section 1128A of that Act to "the Secretary" and any reference in section 205 of that Act to "the Commissioner of Social Security" shall be deemed to be a reference to "the Attorney General".

(d) CRIMINAL SANCTIONS.—Section 237a(b) of the Social Security Act (42 U.S.C. 1320b-4) is amended—

(1) in paragraph (b), by inserting "or" after the semicolon;

(2) by inserting new paragraph (9) knowingly and willfully sells or purchases (as such terms are defined in section 21(a) of the Social Security Number Protection Act of 2001) a social security number (as defined in subsection (c)).

By Mr. NICKLES (for himself, Mr. ENZI, Mr. BOND, and Mr. HUTCHINSON):

S.J. Res. 6. A joint resolution providing for congressional disapproval of the rule submitted by the Department of Labor under chapter 8 of title 5, United States Code, relating to ergonomics; to the Committee on Health, Education, Labor, and Pensions.

S.J. Res. 6

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its rules, and under rules of the House of Representatives, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the House, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 2001 through September 30, 2001, October 1, 2001, through September 30, 2002, and from October 1, 2002, through February 28, 2003, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ per- sonnel, and (3) with the approval of the Committee on Rules and Administration, to use on a reimbursable or nonreimbursable basis the services of any department or agency.

S. Res. 40

Resolved. That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its rules, and under rules of the House of Representatives, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the House, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 2001 through September 30, 2001, October 1, 2001, through September 30, 2002, and from October 1, 2002, through February 28, 2003, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the approval of the Committee on Rules and Administration, to use on a reimbursable or nonreimbursable basis the services of any department or agency.
SENATE RESOLUTION 41—DESIGNATING APRIL 4, 2001, AS “NATIONAL MURDER AWARENESS DAY”

Mr. SHELBY (for himself and Mr. SESSIONS) submitted the following resolution; which was referred to the Committee on the Judiciary.

WHEREAS murder needlessly claims the lives of thousands of Americans each year;

WHEREAS murder has a devastating effect on the families of victims throughout the United States; and

WHEREAS local community awareness and involvement can help eliminate the incidences of murder: Now, therefore, be it

Resolved, That the Senate—

(1) designates April 4, 2001 as “National Murder Awareness Day”; and

(2) requests that the President issue a proclamation urging local communities throughout the United States to remember the victims of murder and carry out programs and activities to help eliminate the incidences of murder.

NOTICE OF HEARING
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President. I would like to announce that the Committee on Agriculture, Nutrition, and Forestry will meet on March 6, 2001, in SH-216 at 9 a.m. The purpose of this hearing will be to review nutrition and school lunch programs.

AUTHORITY FOR COMMITTEES TO MEET
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. THOMAS. Mr. President. I ask unanimous consent that the Senate Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, March 1, 2001. The purpose of this hearing will be to review the statutes of conservation programs in the current farm bill.

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

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 Thursday, March 1, 2001, at 2:30 p.m., in open session 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 Thursday, March 1, 2001, to conduct a markup of S. 143, the Competitive Market Supervision Act of 2001; the Banking Committee funding resolution for the 107th Congress; and other committee organizational matters.

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 Thursday, March 1, 2001, at 9:30 a.m. on digital TV.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. THOMAS. Mr. President. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 1, 2001, at 10 a.m. and 2:30 p.m., to hold two hearings.

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

COMMITTEE ON SMALL BUSINESS

Mr. THOMAS. Mr. President. I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate on Thursday, March 1, 2001, beginning at 10 a.m., in room 428A of the Russell Senate Office Building, to hold a forum entitled “Encouraging and Expanding Entrepreneurship: Examining the Federal Role.”

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

COMMITTEE ON VETERANS AFFAIRS

Mr. THOMAS. Mr. President. I ask unanimous consent that the Committee on Veteran’s Affairs be authorized to meet to conduct a joint hearing with the House Committee on Veteran’s Affairs to receive the legislative presentations of the Retired Enlisted Association, Gold Star Wives of America, the Fleet Reserve Association, and the Air Force Sergeants Association. The hearing will be held on Thursday, March 1, 2001, at 9:30 a.m., in room 345 of the Cannon House Office Building.

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

SUBCOMMITTEE ON INVESTIGATIONS

Mr. THOMAS. Mr. President. I ask unanimous consent that the Permanent Subcommittee on Investigations of the Governmental Affairs Committee be authorized to meet during the session of the Senate on Thursday, March 1, 2001, 9:30 a.m., for a hearing entitled “The Role of U.S. Correspondent Banking In International Money Laundering.”

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

EXECUTIVE SESSION

NOMINATION OF SEAN O’KEEFE TO BE DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

Mr. BENNETT. Mr. President. I ask unanimous consent that Sean O’Keefe be nominated to be Deputy Director of the Office of Management and Budget. Further, I ask unanimous consent that the Senate proceed immediately to its consideration, the nomination be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nomination be printed in the RECORD, the President be immediately notified of the Senate’s action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The nomination was considered and confirmed.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 104-191, reappoints Dr. Richard K. Harding of South Carolina to the National Committee on Vital and Health Statistics for a four-year term.

The Chair, on behalf of the President pro tempore, on the recommendation of the Democratic Leader, pursuant to P.L. 106-398, appoints C. Richard D’Amato of Maryland, Patrick A.

APPOINTMENT OF WALTER E. MASSEY AS A CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of H.J. Res. 19, which is at the desk.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:
A joint resolution (H.J. Res. 19) providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. BENNETT. Mr. President, I ask unanimous consent that the joint resolution be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this resolution be printed in the RECORD.

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

The joint resolution (H.J. Res. 19) was read the third time and passed.

HONORING THE NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 27 just received from the House.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:
A concurrent resolution (H. Con. Res. 27) honoring the National Institute of Standards and Technology and its employees for 100 years of service to the Nation.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. BENNETT. Mr. President, I ask unanimous consent that the concurrent resolution and the preamble be agreed to en bloc, the motion to reconsider be laid upon the table, with no intervening action.

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

The concurrent resolution (H. Con. Res. 27) was agreed to.

The preamble was agreed to.

ORDERS FOR MONDAY, MARCH 5, 2001

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 5:20 p.m., adjourned until Monday, March 5, 2001, at 2 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 1, 2001:

DEPARTMENT OF THE TREASURY
MARK A. WEINBERGER, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

EXECUTIVE OFFICE OF THE PRESIDENT
SEAN O’KEEFE, OF NEW YORK, TO BE DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.
CONGRATULATING THE PEACE CORPS ON THEIR 40TH ANNIVERSARY

HON. TOM LANTOS
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 2001

Mr. LANTOS. Mr. Speaker, I rise today to congratulate the Peace Corps on its 40th anniversary, and commend the agency and its volunteers on the invaluable contribution they have made in promoting America’s interests and values around the world since its founding in 1961.

Forty years ago, President Kennedy challenged Americans to “ask not what your country can do for you, ask what you can do for your country.” His inspiring words launched the Peace Corps, which President Kennedy officially established by Executive Order on March 1, 1961. The response to the President’s call for this bold experiment was swift and enthusiastic, with the first volunteers accepting the challenge and leaving for their overseas assignments less than six months later.

Each successive generation has answered President Kennedy’s call, expanding the Peace Corps’ ranks and extending its reach every year. This year, more than 7,000 Peace Corps volunteers live and work alongside people in 76 countries. Over the course of the last four decades, a total of 162,000 volunteers in 134 countries have participated in this bold experiment. President Kennedy would be proud—and so should we.

The Peace Corps has met with such extraordinary success because its mission resonates with Americans and with the millions of people across the globe whom it has served. By immersing themselves in local cultures and working side-by-side with everyday people in the countries they serve, Peace Corps volunteers have made a positive impact in a very personal way. They work with teachers and parents to improve access to education. They work with community groups and local governments to stop the spread of HIV/AIDS and other infectious diseases. They work with entrepreneurs to develop better business practices; with farmers to develop better farming methods; with communities to protect their local environment. And they are harnessing the information revolution to train students in computer use and to establish local Internet resource centers around the globe.

The Peace Corps’ work has made a critical contribution to America’s national security. Born in the crucible of the Cold War as a means of preventing the spread of Communism from taking hold in the developing world, it has adapted its mission for our times. Through the Peace Corps, people of foreign nations learn that America is a force for peace, justice and prosperity in the world.

The Peace Corps has also come to symbolize for millions across the globe the boundless hope, practical ingenuity, and noble vision our Nation embodies. As such, it represents one of the most enduring legacies of President Kennedy, and one of the shining stars in the constellation of initiatives that constitute America’s foreign policy.
The Peace Corps is celebrating its milestone anniversary throughout the year with events that commemorate the agency’s forty-year history and that raise awareness of its good work. I ask my colleagues, Mr. Speaker, to join me in celebrating the Peace Corps’ success and wishing it success well into the future.

INTRODUCTION OF ROCKY FLATS NATIONAL WILDLIFE REFUGE ACT

HON. MARK UDALL
OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 2001

Mr. UDALL of Colorado. Mr. Speaker, I am today reintroducing a bill to designate Rocky Flats National Wildlife Refuge once that former nuclear-weapons site in Colorado is cleaned up and closed.

This bill, the Rocky Flats National Wildlife Refuge Act of 2001, is essentially identical to one I introduced last year on which action was not completed before the end of the 106th Congress.

It will convert Rocky Flats into a National Wildlife Refuge, but only AFTER the site has been cleaned up and closed and a final Onsite Record of Decision has been submitted by EPA under the Superfund rules. And it includes specific provisions to make sure that the bill will not result in a less thorough clean-up.

The bill has been developed through a process of collaboration with Senator WAYNE ALLARD, who is introducing corresponding legislation in the Senate, and is cosponsored by Representatives DEGETTE, TANCREDO, SCHAFER, and HEFLEY.

In shaping this legislation, Senator ALLARD and I have worked closely with local communities, State and Federal agencies, and interested members of the public. We received a great deal of very helpful input, including many detailed reactions to and comments on related legislation that I introduced in 1999 and discussion drafts that Senator ALLARD and I circulated earlier last year.

I want to thank Senator ALLARD and I recognize that introduction of legislation is only the initial step in the formal legislative process. We welcome and will consider any further comments that anyone may have regarding the bills we are introducing today. However, we believe that these bills address the points raised by the many parties in Colorado who are interested in this important matter.
Here is a brief outline of the main provisions of the bills Senator ALLARD and I are introducing today, and the few points on which it differs from the earlier version of last year:

- Let me take a moment to address a few of the more important issues that were raised by the local communities and other parties and how they are addressed in this bill.
- First, transportation issues. Rocky Flats is located in the midst of a growing area of the Denver metropolitan region. As this area continues to grow, pressure is being put on the existing transportation facilities just outside the boarders of the site. In addition, the Denver-metropolitan region has been constructing a beltway around the city. The last segment of this beltway, to be completed or approved yet, for construction is to be in the northwest section of Denver, the same general areas where Rocky Flats is located. The communications that surround the site have been considering transportation improvements in this area for a number of years—including the potential completion of the beltway. However, we are willing to continue to listen and to work with the local governments and the public on this issue.
- So, one of the questions on which Senator ALLARD and I sought comments was whether or not the bills should allow some use of Rocky Flats land to assist in addressing the transportation needs and future demands. We asked for and received the views of the public and the local communities. That input, along with the recent decision by the local communities to forego for now the construction of the beltway in the northwestern Denver region, overwhelmingly indicated that the bill should allow for possible availability of some land along Indiana Street along the eastern boundary of Rocky Flats for this purpose, but that the bills should not specifically provide for a more far-reaching available land.
- Direct that the refuge’s management will be consistent with refuge-system laws, while allowing wildlife-dependent public use where appropriate and consistent with wildlife protection. Create a public involvement process to advise the U.S. Fish and Wildlife Service on how the refuge should be managed and to address other issues such as use of the site for wind power research, perimeter fencing, and a visitor center.
- Make sure that the rights-of-way for utilities—subject to reasonable conditions to protect cleanup actions and refuge resources—remain. Allow the DOE to continue to purchase mineral rights at Rocky Flats.
- Allow the owners of any water-related easements on the site to do any needed surveys. Authorize the creation of a Rocky Flats Museum to commemorate the work done at this site in helping to win the cold war and its challenging cleanup legacy.
- Require DOE and the U.S. Fish and Wildlife Service to identify funding needs related to the museum. The bill will not: Affect ongoing cleanup activities. Allow for the reduction of the extent of cleanup based on the creation of a refuge. Reduce the levels of funds allocated for cleanup work (cleanup and closure are to remain priorities). Transfer any existing land from the site for other purposes (except for the possibility of some land along the eastern boundary for transportation improvements along Indiana Street, possible leasing on the site for wind power research, and utility rights-of-way).
- Direct that a practice shooting range now on site remain when the site is converted to a wildlife refuge.

Let me re-emphasize that the bill I introduced in 1999 and it is definitely not the intention of the bills being introduced today provide that Arvada and the surrounding communities, decides to select a different location after consideration of all appropriate factors such as cost, potential visitability, and proximity to the Rocky Flats site.

- Third, private property rights. Most of the land at Rocky Flats is owned by the federal government, but within its boundaries there are a number of pre-existing private property rights, including mineral rights, water rights, and utility rights-of-way. In response to comments from many of their owners, the bills acknowledge the existence of these rights, preserve them and allow the Secretary of Energy and Interior to address access issues to continue necessary activities related to cleanup and closure of the site and proper management of its resources.

With regard to water rights, the bills protect existing easements and allow water rights holders access to perfect and maintain their rights. With regard to mineral rights, the bills require the Secretaries of Energy and Interior to seek to acquire these rights from existing owners—but ensure that no funds from cleanup and closure can be used to accomplish this goal. Finally, with regard to power lines and their removal to extend a power line from a high tension line that currently crosses the site, the bills preserve the existing rights-of-way for these lines and allows the construction of one power line from an existing line to serve the growing region northeast of Rocky Flats.

Fourth, the National Renewable Energy Laboratory’s (NREL) National Wind Technology Center. This research facility, which is located northwest of the site, has been conducting important research on wind energy technology. As many of the region know, this area of the Front Range is subjected to strong winds that spill out over the mountains and onto the plains. This creates ideal wind conditions to test new wind power turbines. I support this research and believe that the work done at this facility can help us make energy secure as we find ways to make wind power more productive and economical.

The bills we are introducing today preserve this facility. It is outside the boundaries of the new wildlife refuge that the bill would create and thus would be allowed to continue at its present location. In addition, NREL has been considering expanding this facility onto the open lands of Rocky Flats. The bill allows NREL to pursue this proposal through the public involvement process. Lastly, the bill does not include language to retain the existing shooting range on the site. This range—constructed by the DOE to train the site’s security forces—has been used for local law enforcement training, and some have suggested that the bill should require it to remain available. However, under current cleanup plans the range is to be eliminated, and we are aware that both the public and local governments have concerns about the desirability of having such a range in a wildlife refuge. So, to the extent that the Secretaries are willing to work to locate an alternative facility, we have not included language in the bill to require that it remain.

Finally, cleanup levels. As this legislation has been developed, some concerns have been expressed that the establishment of Rocky Flats as a wildlife refuge could result in a less extensive or thorough cleanup of contamination that has resulted from its prior mission. Of course, that was not the intention of the bill I introduced in 1999 and it is definitely not the intention of not produced today. The language in these bills has been drafted to ensure that the cleanup is based on sound science, compliance with federal and state environmental laws and regulations, and public acceptability. The bills now tie the cleanup levels to those established in the Rocky Flats Cleanup Agreement (RFCA) for soil, water and other media following a public process to review and reconsider the cleanup levels in the RFCA. In this way, the public will be involved in establishing the cleanup levels and the Secretary of Energy will be required to conduct a thorough cleanup based on that input. In addition, the bills require that the establishment of the site as a wildlife refuge.
wildlife refuge cannot be used to affect the cleanup levels—removing any possibility of arriving at a lesser cleanup due to this ultimate land use.

Mr. Speaker, I want to express my thanks to Senator ALLARD for his outstanding cooperation in drafting this important legislation. I am very appreciative of his contributions and look forward to continuing to work closely with him and the other members of the Colorado delegation in both the House and Senate to achieve enactment of this legislation.

In the past, Rocky Flats has been off-limits to development because it was a weapons plant. That era is over—and its legacy at Rocky Flats has been very mixed, to say the least. But it has left us with the opportunity to protect and maintain the outstanding natural, cultural, and open-space resources and value of this key part of Colorado’s Front Range area. This bill would accomplish that end, would provide for appropriate future management of the lands, and would benefit not just the immediate area but all of Colorado and the nation as well.

PERSONAL EXPLANATION

HON. XAVIER BECERRA
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. BECERRA. Mr. Speaker, on February 27 and 28, 1 was unable to cast my votes on rollcall votes: No. 16 on motion to suspend the rules and pass H.R. 256; No. 18 on motion to suspend the rules and pass H.R. 558; No. 19 on motion to suspend the rules and pass H.R. 621; No. 20 on motion to suspend the rules and agree on H. Con. Res. 39; No. 17 on motion to suspend the rules and agree on H. Res. 54. Had I been present for the votes, I would have voted “aye” on rollcall votes 16, 17, 18, 19, 20, and 21.

HON. KEN CALVERT
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. CALVERT. Mr. Speaker, my congressional district in Riverside, California is extremely fortunate to have a dynamic and dedicated group of community leaders who willingly and unselfishly give of their time and talents to ensure the well-being of our city and county. These individuals work tirelessly to develop voluntary community action to improve the community’s economy, its education, its environment and its overall quality of life. One individual, who is a member of this group, is Steve Caseldine.

On the 3rd of March, Mr. Caseldine will be honored with the Ira. D. “Cal” Calvert Distinguished Service Award by the Corona-Norco Family YMCA. The award is given in memory of my father, “Cal” Calvert, and his numerable philanthropic gifts to the community and his efforts to encourage others to serve their community in a similar fashion. The award recognizes Steve for his exceptional devotion to developing community volunteerism.

A senior vice president and manager of the Corona office of Citizens Business Bank, Steve credits his employer for his own history of volunteerism. However, it is his love for fishing and membership with the Inland Empire Bassmasters, not employer, that has motivated Steve for the past three years to help area youth experience the traditional American hobby of fishing. To do this, the Inland Empire Bassmasters have introduced more than 250 boys and girls to the joys of fishing. Many of these youth have come from the Corona Boys and Girls Club, Alternatives in Domestic Violence and the YMCA.

Since Joining Citizens Business Bank (then Chino Valley Bank) in 1981, Steve has also been an active participant in the community through the Corona Chamber of Commerce and Corona Rotary Club.

Mr. Caseldine met his wife, Docia, while attending a small Christian college. In 1974, he earned a Business Administration degree and began his career in banking at Wells Fargo, in Orange County, before Joining Citizens. Steve and Docia have one son and daughter.

Mr. Speaker. I take this opportunity to thank Steve Caseldine, his influence and involvement in our community. He has aided in developing and maintaining community volunteerism in the Corona-Norco area and the Inland Empire. I know that we will continue to benefit from his experience in the 43rd Congressional District and deep commitment to the region. It is a great pleasure for me to congratulate Steve on his outstanding career and lifelong devotion to community volunteerism.

HONORING THE PEACE CORPS ON ITS 40TH ANNIVERSARY

HON. BARBARA LEE
OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Ms. LEE. Mr. Speaker, when John F. Kennedy challenged Americans to put aside self-interest and go out and make the world a better place, he launched a crusade of service that continues today. Over the last four decades, thousands of Peace Corps volunteers have helped build bridges as well as friendships. Peace Corps volunteers have helped children learn to read, helped villages obtain clean water, helped educate people about HIV/AIDS and other health threats, and helped farmers grow more food. In the process of these and countless other undertakings, what is most striking for many returned volunteers is not how much they taught, but rather how much they learned.

The Peace Corps embodies the highest principles of international and intercultural exchange. Peace Corps volunteers truly do think globally by acting locally. This grassroots program has made many lasting contributions to the world. John F. Kennedy called on Americans to ask what they could do for their country, but in fact, the Peace Corps mandatare embodies the highest principles of international and intercultural exchange. Peace Corps volunteers truly do think globally by acting locally. This grassroots program has made many lasting contributions to the world. John F. Kennedy called on Americans to ask what they could do for their country, but in fact, the Peace Corps mandate is much broader: it asks volunteers what they can do for their planet and its people.

I am proud to join my colleagues in congratulating the Peace Corps on its forty years of achievement and in reaffirming our national commitment to international service.

HONORING LUTHER F. (GUS) BLIVEN
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. WALSH. Mr. Speaker, the people of Central New York lost their personal reporter last Sunday in Syracuse. Let me emphasize the word their because Luther F. (Gus) Bliven was that person for every day of his 71 year career with the Syracuse Post Standard.

For someone to work for the same employer over a 71 year span is remarkable in itself. But to have earned both the respect and trust of the people who read your work over that same time frame is the trademark of greatness. Gus Bliven covered the state legislature in Albany for almost 50 years. During that time frame he reported on seven governors, hundreds of state legislators, countless hearings and more all night sessions then he ever wished. He was a “reporters reporter” as he developed the earned reputation of a non-sense but fair writer. He expected honest answers to his questions and when he got them the story reflected it. If he felt the response was less than truthful the story reflected that as well. You didn’t want to ever be in that category.

Gus covered my father when he was mayor of Syracuse. They didn’t always agree but they respected one another as strait-shooters.

My father paid him a high compliment when he said that Gus Bliven was the best but toughest reporter he had ever known.

On Wednesday, February 28, 2001, this fine newspaperman was laid to rest. I won’t be at his funeral because the House is in session requiring me to be here in Washington, but many people will join to say farewell to this news legend from Central New York. It almost seems fitting that as Christians begin the season of Lent, known as a time of getting closer to God. He would have enjoyed this parallel.

INTRODUCTION OF THE COLORADO WILDERNESS ACT OF 2001

HON. MARK UDALL
OF COLORADO

IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. UDALL of Colorado. Mr. Speaker, I am pleased to join as an original cosponsor of this legislation being introduced today by my colleague, Representative DeGETTE. Representative DeGETTE has been a leader in the Colorado delegation in connection with the issue of wilderness designations of lands in our State managed by the Bureau of Land Management, and I am hopeful that the bill will serve to advance the debate on that issue. Conclusion of that debate is long overdue, and I am hopeful that we can get on with it.

I am sure some will object to this bill and find reasons, both philosophical and technical, to oppose it. I am also sure others will argue...
for its intact passage without change or amendment. I expect that the legislative proce-

ess will produce results that are not com-
pletely satisfactory to either of those groups.

In my view, the bill outlines a good way to
make progress—that is, through comprehen-
sive legislation to address the majority of the
BLM areas that have been proposed for wil-

derness. Of course, members of the delega-
tion may also want to explore legislation deal-
ing just with one or more of these areas, and
I am ready to work with them on that ap-
proach as well.

All wilderness bills eventually are about
compromise and map-drawing. Introduction of
this bill obviously is not the end of the wilder-
ness discussions in Colorado, and I look for-
to working with the rest of my colleagues in
the delegation to seek the maximum fea-
tible degree of consensus that can result in
wilderness designations for BLM lands in our
State.

HONORING THE SYRACUSE SYMPHONY ORCHESTRA

HON. JAMES T. WALSH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. WALSH. Mr. Speaker, this year marks
the 40th Anniversary Season of the Syracuse
Symphony Orchestra, a fully professional re-
dential orchestra of national acclaim, which
serves the entire central and northern New
York State region. The Orchestra includes 6
professional musicians and a conducting staff
of international caliber and performs over 100
full-orchestra concerts throughout Central and
Northern New York, reaching more than 200,000
audience members during its 38-

week season.

Now the 45th largest orchestra in the United
States, the Syracuse Symphony Orchestra
performs a vast array of programs including
classics, pops, family, chamber orchestra,
educational youth programs and free summer
parks concerts. In addition, the Syracuse Sym-
phony Orchestra presents The Nutcracker with
a visiting ballet company each December and
also plays for Syracuse Opera performances.

Syracuse Symphony concerts are broadcast
twice weekly on WCNYFM and the Orchestra
proudly operates two youth ensembles—the
Syracuse Symphony Youth Orchestra and
Syracuse Symphony Youth String Orchestra.

Beyond its Syracuse-based activities, the
Orchestra performs a heavy schedule of con-
certs in under-served regional communities.
In addition to subscription series in Watertown,
Rome and Cortland, the Orchestra frequently
tours New York State and, in recent years,
Pennsylvania, New Hampshire, and Con-
necticut. The Orchestra has made four trips to
Carnegie Hall and produced several record-
ings, including the most recent compact disc
release under the direction of Daniel Hege.

The Orchestra collaborates with dozens of
local organizations each year, including the
Syracuse Stage, Syracuse University Oratorio
Society, Syracuse Children’s Chorus, Syra-
cuse School of Dance, and the Center of Bal-
et and Dance Arts. In 1999, their exchange
in the arts was recognized when The Orches-
tra received the prestigious New York State
Governor’s Arts Award.

I would like to take this opportunity to com-
mend the Syracuse Symphony Orchestra for
its many accomplishments throughout the past
forty years and recognize its service to Central
New York and surrounding communities. We
wish its members and patrons every success in
all future endeavors.

HONORING CARROLL BEACH

HON. MARK UDALL
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. UDALL of Colorado. Mr. Speaker, I sa-
lu-te my friend Carroll Beach, President of the
Colorado and Wyoming Credit Union Leagues,
on receiving the 2001 Herb Wegner Memorial
Award for Lifetime Achievement from the Na-
tional Credit Union Foundation, the philan-
thropic arm of the Credit Union National Asso-
ciation.

I feel that Credit Unions exemplify the great
American ethic of pulling together with our
neighbors to accomplish worthy goals that we
could not hope to achieve individually. Credit
unions help to foster a much-needed sense of
community. They are member-owned coopera-
tives, where members typically receive their
dividends in the form of putting favorable inter-
est rates and lower fees.

Since Carroll assumed control of Colorado’s
credit unions in 1973, the Colorado Credit
Union system has grown from a handful of
employees to 180 employees serving 1.4 mil-
lion members. Nearly one out of three adults in
Colorado belongs to a credit union. Credit
union membership in Colorado has risen from
350,000 to 1.4 million under Carroll’s leader-
ship.

Over the last three decades, Carroll has
worked to improve access to credit unions,
striving towards his stated goal of seeing a
day when every American can access a credit
union and own the financial institution that
serves them. I commend Mr. Beach on his in-
novative and creative leadership of the Colo-
rado and Wyoming Credit Union Leagues, and
congratulate him on receiving this much-de-
served honor.

MINORITY COLLEGE STUDENTS

HON. XAVIER BECERRA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. BECERRA. Mr. Speaker, today I join my
colleagues to express my grave concern over
the way minority students are treated by this
Congress. On February 2, 2001, Republican
Education and the Workforce Committee
members voted to change the manner in
which minority higher education issues are consi-
dered by the committee. Under these
changes, consideration of issues affecting His-
torically Black Colleges and Hispanic Serving
institutions will take place in a new Select
Education Subcommittee, while all other high-
er education issues will be handled by a newly
formed Subcommittee on 21st Century Com-
petitiveness.

Minority higher education institutions are an
important part of our nation’s educational sys-
tem. Established under the Higher Education
Act, these institutions continue to expand edu-
cational opportunities for financially needy and
minority students. However, these new rule
changes imposed by the Education and the
Workforce Committee set minority education
back at least 50 years and a time when minori-
ties were “separate but equal”. When the 21st
Century Competitiveness Subcommittee meets
to discuss improving higher education and in-
creasing the competitiveness of our college
students, they will make crucial decisions that
affect all students in higher education institu-
tions, except those that are served at minority
serving institutions.

These recent changes are unacceptable, and
send a dangerous message to minority
students throughout the nation. Congress
must not support this blatant inequity, and I
call upon the Majority to correct this injustice.

HONORING JOHN CLEGHORN, 2000
RECIPIENT OF THE YMCA DIS-
TINGUISHED SERVICE AWARD

HON. KEN CALVERT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. CALVERT. Mr. Speaker, my congres-
sional district in Riverside, California is ex-
remely fortunate to have a dynamic and dedi-
cated group of community leaders who will-
ingly and unselfishly give of their time and tal-
ents to ensure the well-being of our city and
county. These individuals work tirelessly to
develop volunteer community activities to improve
the community’s economy, education, its envi-
ronment and its overall quality of life. One
individual, who is a member of this group, is
John Cleghorn. He has been active in so
many community groups and activities that it
is hard to imagine how he found the time to
become a career law enforcement officer with the
Los Angeles Police Department (LAPD) and the
City of Corona, a husband and a fa-
th of three children.

On the 3rd of March, Mr. Cleghorn will be
honored with the Los Angeles Police
City of Corona, a husband and a fa-
th of three children.

Born in Pasadena, California, John
Cleghorn developed an inherent love for law
enforcement, according to his mother, from
numerous "ride-a-longs" with the Pasadena
Police Department—a result of his youthful de-
sire for adventure in the neighborhoods, where
he promptly got lost. He met his wife, Janet
Everett, at University High, and married her
following his graduation from Los Angeles City
College. Intent on a career in law enforce-
ment, John then entered the Los Angeles Po-
lice Academy, after which he was inducted in
the Army and served for two years.

John’s career with the LAPD lasted for an
impressive 27 years where he commanded
many divisions. During these years, he also
worked to obtain a Bachelor of Science in Po-
lice Administration from California State Uni-
versity, Los Angeles and a Masters in Public

Communications from Pepperdine University. After retiring from LAPD in 1985, John was named the interim police chief of Corona, and short time later officially appointed as police chief. Mr. Cleghorn and his wife have a son, two daughters and six grandchildren.

With all of these carefree and family commitments, Mr. Lewis’s unstinting giving of time and energy to volunteerism is all the more impressive and serves as a model to his community, neighbors and own children and grandchildren. His strong commitment to the Inland Empire has displayed in his participation in the United Way, Corona Library Foundation, Corona Regional Medical Center Foundation, Alternatives to Domestic Violence and, of course, the Corona-Norco YMCA. He has also served as president of the Rotary Club and the Navy League.

Mr. Speaker, I take this opportunity to thank John Cleghorn for his dedication, influence and involvement in our community. He has aided in developing and maintaining community volunteerism in the Corona-Norco area and the Inland Empire. I know that we will continue to benefit from his long-time experience in the 43rd congressional district and deep commitment to the region. It is a great pleasure for me to congratulate John on his outstanding career with the LAPD and his lifelong devotion to community volunteerism.

TRIBUTE TO AHLLERMAN VAN LEWIS, SR., PRESIDENT OF OAKLAND AFRICA SISTER CITIES INTERNATIONAL

HON. BARBARA LEE OF CALIFORNIA IN THE HOUSE OF REPRESENTATIVES Thursday, March 1, 2001

Ms. LEE. Mr. Speaker, today I pay tribute to Mr. Ahlerman Van Lewis, Sr. Mr. Lewis served as the President of Oakland Africa Sister Cities International for many years and was an active member of the Ninth Congressional District. Sadly Mr. Lewis passed away on January 25, 2001 after a brief illness.

Ahlerman was the youngest son born to Fred and Mercie Lee Williams Lewis on September 11, 1931 in Diboll, Texas. He graduated from Henry G. Temple High School and attended Texas Southern University on a basketball scholarship. He was a member of the United States Air Force, where he served as a Morning Report Clerk.

After leaving the military, he joined his brothers, Raymond Rish and Heman “Lefty” Lewis, in the Oakland—Bay Area where he worked in the field of administrative services both at Fort Mason and the Presidio, in San Francisco, California.

Ahlerman married FranCione Newellene Johnson, on June 16, 1962. From this union came the two sons he cherished, Ahlerman “Ahlee” Van Lewis, II and Frederic Paul Lewis.

As the United States became vibrantly alive with civil rights activity, during the early 1960s, Ahlerman was inspired by the Black self-determination message of Malcom X and The Honorable Elijah Muhammad. An ardent member of the Fruit of Islam, Brother Ahlee Ali, as he was known in the Muslim community, dedicated himself to working with the local community to improve the conditions of African Americans in the city of Oakland and its surrounding environs. He was a member of Muhammed’s Mosque # 26 for 40 years. Fascinated with the thrust for Black business ownership and management, Ahlerman was first drawn to the catering business. This led to his obtaining an Associate Arts Degree in Food Management from Laney College before he matriculated to San Francisco State University.

Turning his attention to inspiring African American youth, Ahlerman began teaching his career with the Pittsburg School District before joining the Oakland Unified School District (OUSD). While teaching in Oakland, Ahlerman participated in the OUSD and Stanford University—Global Education Curriculum Development Project. This activity sparked a deep interest in West Africa. It was this interest that led Ahlerman to form Oakland Africa Sister Cities International, which was set up to foster a close relationship with Sekondi-Takoradi, Ghana. As President of the Sister Cities project, Ahlerman led the organization to host many special events. One such event was a collaboration with Rev. FranCione and the Pan Oaks Center for the Creative Arts to sponsor an exhibit of the work of more than ninety Oakland High School students’ artistic impression of Jeff Stetson’s play The Meeting. Ahlerman worked with the OUSD’s School to Careers Program to secure internships for students to work with the Sister Cities organization. One of the major projects the students were able to work on under Ahlerman’s leadership was the George Washington Carver Exhibit. This exhibit was initiated by Tuskegee Institute. The exhibit was such a resounding success that Ahlerman was later invited to Tuskegee, to receive a special honor for his work commemorating Dr. George Washington Carver.

Ahlerman Van Lewis, Sr. will be deeply missed by all who were blessed to have known and worked with him. He leaves behind a rich legacy of leadership and service to the African American community in Oakland, as well as the Ghanaian community in Sekondi-Takoradi, Ghana. We in the Ninth Congressional District can pay tribute to Ahlerman’s memory by carrying on his work of fostering a deeper interest and relationship with the continent of Africa, while at the same time continuing to commemorate the life of our own African American heroes, such as George Washington Carver.

RECOGNIZING THE WORK OF SUSAN B. ANTHONY ON HER 181ST BIRTHDAY

HON. ANNE M. NORTHUP OF KENTUCKY IN THE HOUSE OF REPRESENTATIVES Thursday, March 1, 2001

Mrs. NORTHUP. Mr. Speaker, today I pay tribute to Susan B. Anthony and her work in promoting the life of the unborn.

As you may be aware, February 15, 2001 marked the 181st birthday of Susan B. Anthony, one of our nation’s greatest champions of not just of the rights of women, but of all Americans.

However, Susan B. Anthony’s work to secure women’s rights took place on many fronts, from opposing prostitution to demanding the right to vote. And she considered her efforts in turning women away from abortion as some of the most important work of her life. She declared that amongst her greatest joys was to have helped “bring about a better state of things for mothers generally, so that their unrealized ones could not be willed away from them.”

Today, we celebrate the spirit of Susan B. Anthony and continue her work in protecting the lives of the unborn. Her labors to provide more opportunities and choices for women leaves us with many alternatives to abortion. For example, the joy of motherhood and the act of responsible parenting can be extended to millions of women today through adoption. Adoption fills a vital role, ensuring that worthy options are available for women of all social segments, races, and backgrounds. Just like Susan B. Anthony, we can devote our energies toward making women independent of, and not dependent on, abortion as a recourse.

Susan B. Anthony fought to lift the unjust burdens oppressing women, including the burden of abortion. As we celebrate her birthday and Women’s History Month, let us also recommit ourselves to her goal of promoting motherhood and the unborn life.

TRIBUTE TO THE LATE MARGARET AZEVEDO

HON. LYNN C. WOOLSEY OF CALIFORNIA IN THE HOUSE OF REPRESENTATIVES Thursday, March 1, 2001

Ms. WOOLSEY. Mr. Speaker, today I honor Ms. Margaret Azevedo. Margaret Azevedo, a long-time progressive in Marin County, exemplified the very best in public service to our community. During her 45 years of activism, Margaret was known for her thorough and balanced approach to preserving our environment. Her tireless efforts on behalf of the people of Marin and their quality of life earned her the respect and admiration of all who knew her.

As a member of many organizations including the Marin County Planning Commission, the North Central Regional Coastal Commission, the Coastal Conservancy, the Bay Area Transportation Study Commission, the Association of Bay Area Government’s Housing Task Force, the League of Women Voters, the Marin Council for Civic Affairs and the Point Reyes National Seashore Foundation, Margaret worked endlessly to enhance the long-term health of the Northbay community. She was known for her breadth of knowledge as well as a keen sense of humor.

Margaret Azevedo is credited with preserving 240,200 acres of open space as well as playing a major role in the development of the Golden Gate National Recreation Area and the Richardson Bay Audubon Sanctuary. Her numerous awards—such as the San Francisco Examiner’s 10 most distinguished women of the Bay Area, Marin Women’s Hall of Fame and the League of Women Voters’ Bunny Lucheta Award for Outstanding Public Service in Marin County—are a testament to the success of her efforts.

Mr. Speaker, Margaret’s death in December 2000, leaves a void in Marin that will be immeasurably felt as well as demonstrating the value of an individual’s dedication to preserving and bettering our environment and our world.
Mr. LoBIONDO. Mr. Speaker, I am pleased to introduce H.R. 793, the Abel and Mary Nicholson House Historic Site Study Act. This bill would require the Secretary of the Interior to study the suitability and feasibility of designating the Abel and Mary Nicholson House, located in Elsinboro Township, Salem County, New Jersey, in my congressional district, as a unit of the National Park System. As part of the study the Secretary would also be required to consider management alternatives to create an administrative association with the New Jersey Coastal Heritage Trail Route. This study is the required first step in designating the site as a national park.

The Abel and Mary Nicholson House was built in 1722 and is a rare surviving example of an unaltered early 18th century patterned brick building. The original portion of the house has existed for 280 years with only routine maintenance. This house is a unique resource which can provide significant opportunities for studying our nation's history and development.

I was pleased to announce the designation of this house as a National Historic Landmark on March 1, 2000, which made it the first National Historic Landmark site in Salem or Gloucester Counties, in New Jersey. The U.S. Department of the Interior designated the Nicholson House as a National Historic Landmark because of its historical importance to the entire nation and listed it in the National Register of Historic Places.

As one of the most significant “first period” houses surviving in the Delaware Valley, the Nicholson House represents a piece of history from both Southern New Jersey and early American life, and should remain protected and preserved to continue as a valuable teaching tool for generations to come.

SAINT ISIDORE SCHOOL CELEBRATES 100 YEARS

HON. VERNON J. EHLERS
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Mr. EHLERS. Mr. Speaker, today I give recognition to St. Isidore School in Grand Rapids, Michigan for its 100 years of service to the Grand Rapids community. Founded by Polish immigrants, the school opened its doors to 144 students on January 2, 1901, in a northernside building that served as a combination school, church, and convent. Since the ringing of the first bell in 1901, the school has served as an excellent example of families committed to providing their children with a positive Catholic school experience.

St. Isidore School, originally the city’s East Side Polish parish school, has been through many changes over the years and has grown into a cosmopolitan school. The current facility on Spring Avenue was built in 1926 and in recent years has housed an average of 140 students in grades K-8. The record year was 1927 when the pupil count swelled to 920 students.

During a 20 year period from 1927 thru 1947 St. Isidore’s opened its doors to ninth grade students. During its 148 year existence, St. Isidore’s has served as the starting point for numerous young men and women who have gone on to very challenging and successful careers.

Graduates of the school have become priests, sisters, doctors, nurses, attorneys, engineers, accountants, teachers, administrators, elected officials, and royal employees of the many industries in the West Michigan area.

Mr. Speaker, I am extremely delighted to take this time to pay tribute to this superb school that has played a vital role in our city’s history. I ask my colleagues to join me in saluting the efforts and commitment of the staff and students who have called St. Isidore home over the past 100 years. Their dedication to learning and excellence is a model for others to follow. Congratulations! May God also bless you for your next 100 years!

HONORING THE 50TH ANNIVERSARY OF SCOTT VFW POST 4183

HON. JERRY F. COSTELLO
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Mr. COSTELLO. Mr. Speaker, today I ask my colleagues to join me in congratulating the men and women of Scott VFW Post 4183 in Belleville, Illinois. The Veteran’s of Foreign Wars (VFW) of the United States traces it’s roots back to 1899. That year, veterans of both the Spanish-American War and the Philippine Insurrection founded local organizations to secure rights and benefits for their veterans. In Columbus, Ohio, Spanish-American War veterans founded the American Veterans of Foreign Service and in Denver, Colorado, Philippine veterans organized the Colorado Society, Army of the Philippines. In 1915, both organizations merged to form the present Veterans of Foreign Wars organization.

The VFW is known the world over for their service not only to veterans, but to all people. They are considered to be one of the most influential forces in the halls of Congress. The efforts of the VFW resulted in the creation of the House Veteran’s Committee, the WW 1 bonus, the national Veteran’s Day holiday, various GI bills, the creation of a cabinet level office of Veteran’s Affairs and support on many veteran’s health issues. The VFW is active in disaster relief and also provides information to citizens about our national flag. You cannot also mention the VFW without mentioning their “buddy poppy” program which raises funds for veteran’s homes.

The Scott VFW Post 4183 was chartered in 1951 with 88 members and was named the Loren Howeth VFW Post. Their first meetings were held in the basement of the P-3 Building at Scott Air Force Base. In 1970, the post was renamed for Frederick M. Kocher, the commander largely responsible for re energizing the post and its membership goals. Commander Kocher was also responsible for providing a commitment to service to those veterans who served their country.

HON. MAC COLLINS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES

Mr. COLLINS. Mr. Speaker, today, I am pleased to introduce the Medicare Certified Registered Nurse First Assistant (CRNFA) Direct Reimbursement Act of 2001, which will provide equity in reimbursement for certified registered nurse first assistants who provide surgical first assisting services to Medicare patients. I introduced this legislation in the 106th Congress and am grateful that, last year, the Congress asked the General Accounting Office to study the issue and report within a year on the quality of care and cost effectiveness provided by CRNFAs. While I deeply appreciate this support, I also believe it is important to continue this effort on behalf of CRNFAs and friends and support groups of patients who have agreed to rejoin me in this effort as original cosponsors of this legislation.

Having received more advanced education and training in first assisting than any other nonphysician provider, CRNFAs serve a vital role, directly assisting physicians with surgical procedures. Additionally, CRNFAs and RNFAQS
are the only providers—aside from the rare physician making house calls—who sometimes provide post-operative care by actually visiting patients at home following surgery. Thus, not only do CRNFAs have more clinical experience and education than other non-physician providers, they also provide continuity of care to patients enabling higher quality and better patient outcomes.

CRNFAs also provide the additional benefit of cost efficiency. Health claims data from the Health Care Financing Administration (HCFA) reveal that physicians file more than 50% of the first assistant at surgery claims for Medicare reimbursement. Physicians receive 16 percent of the surgeon’s fee for serving as a surgical first assistant. Under this legislation, CRNFAs will receive only 13.6 percent of the surgeon’s fee for providing first assistant services. Furthermore, CRNFAs are equally as cost-effective as other non-physician first assisting providers who currently are reimbursed at 13.6 percent of the surgeon’s fee for first assisting. Use of CRNFAs would, therefore, be a high quality yet cost-effective alternative for the nation’s health care delivery system, affording additional flexibility to surgeons, hospitals and ambulatory surgery centers.

In closing, I would like to express my appreciation for the hard work of the Association of periOperative Registered Nurses (AORN) and its president, Brenda C. Ulmer, RN, MN, CNOR, in bringing this issue forward. I also thank the nurses of AORN for contacting their Representatives regarding this important bill; their help has been indispensable. As a provider of health care, the CRNA is a viable solution for controlling rising health care costs. Working in collaborative practice with surgeons, CRNFAs are cost-effective to the patient and to the health care delivery system. I urge my colleagues to join me in supporting equity for certified registered nurse first assistants by cosponsoring the Medicare Certified Registered Nurse First Assistant Direct Reimbursement Act of 2001.

TRIBUTE TO RABBI HILLEL COHN, ON THE EVENT OF HIS RETIREMENT

HON. JOE BACA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. BACA. Mr. Speaker, this June, Rabbi Hillel Cohn will be retiring from Congregation Emanu Ei, in San Bernardino, after 38 years of service, having served the Congregation since 1963. Rabbi Cohn is one of the leading citizens of San Bernardino county. He is known for inspiring and creative sermons and his work as a fine educator, counselor and community leader. Rabbi Cohn is one of the leading citizens of San Bernardino county. He is known for inspiring and creative sermons and his work as a fine educator, counselor and community leader. Rabbi Cohn is one of the leading citizens of San Bernardino county. He is known for inspiring and creative sermons and his work as a fine educator, counselor and community leader. Rabbi Cohn is one of the leading citizens of San Bernardino county. He is known for inspiring and creative sermons and his work as a fine educator, counselor and community leader. Rabbi Cohn is one of the leading citizens of San Bernardino county. He is known for inspiring and creative sermons and his work as a fine educator, counselor and community leader.

I have been privileged to know Rabbi Cohn, and have found him to be a mentor, a scholar, and an inspirational man. I have been pleased to know his family, including his nephew, Mike Steinman, who served the people of the State of California as a Legislative Aide on my staff in Sacramento. I have had the pleasure of working with Rabbi Cohn on religious issues, and keeping him advised on the progress of legislation, including the Religious Freedom Protection Act, which I authored in California. Rabbi Cohn is part of a remarkable history of wise and gifted rabbis who have presided over Congregation Emanu Ei. The Congregation, the Second Largest Jewish Community trace their history back to the early 1850’s, when the first Jewish Settlers came to Southern California. The first Jewish community established in Southern California was in San Bernardino, and services began to be held in the 1850’s with the congregation formally being chartered in 1891.

Under Rabbi Cohn, the congregation has risen to great levels of prominence, winning national awards for the excellence of its Jewish Education program. The Congregation also operates a nationally-recognized pre-school and elementary school.

I am very pleased to have worked with Rabbi Cohn over the years, and wish him many years of blessed retirement. I am sure he will continue to grace the San Bernardino community with his scholarship and learning for many years to come. I offer my best wishes to him and his family on this occasion.

IN HONOR OF EDWIN J. KORCZYNSKI

HON. ROD R. BLAGOJEVICH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. BLAGOJEVICH. Mr. Speaker, a decade ago, the people of the United States asked the brave men and women of our armed forces to take up an important cause in the Persian Gulf. Today, I rise to salute the achievements of a resident of my congressional district, Mr. Edwin J. "Kiki" Korczynski, and to commemorate his important contributions.

Edwin was an America West Airline pilot when he served as a volunteer in Operations Desert Shield and Desert Storm, completing numerous missions in the Civil Reserve Air Fleet and Military Airlift Command operation, where civilian airliners were used for lift capability. As a pilot and flight engineer attached to the Military Airlift Command located at Scott Air Force Base, Korczynski helped transport military personnel and supplies vital to the Kuwait liberation effort. For his efforts, Pilot Korczynski was awarded the Civilian Desert Shield and Desert Storm medal for Outstanding Achievement as a Pilot/Flight Engineer flying C-141/AIRMAC missions. Although he is an honorably discharged United States Marine, Korczynski was not an activated reservist, but instead a volunteer committed to the cause.

The five daughters of what is known as the "Korczynski Krew": Ediane M. Ayers, Kimberly A. Boersma, Elizabeth A. Haak, Bethany A. Korczynski, and Megan M. Korczynski, are understandably proud of their father, as he is of them. As they go about their daily lives in this great nation, they are thankful for the service of their father and his colleagues and comrades who have served in the uniform of this nation’s armed services. It is particularly their father’s willingness to volunteer which they know is also shared by their neighbors in our neighborhoods and is an example which is important whether in military service or community service.

PROVISION TO HELP PRESERVE VETERANS FAMILY FARMS INCLUDED IN VETERANS’ OPPORTUNITIES ACT OF 2001

HON. LANE EVANS
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. EVANS. Mr. Speaker, in the 106th Congress, I introduced H.R. 5271, the Veterans’ Family Farm Preservation Act, to make it possible for more wartime veterans and their survivors to qualify for pension benefits from the Department of Veterans Affairs (VA) without being forced to sell their family farms and ranches. I am pleased that the provisions of this legislation have been included in the Veterans’ Opportunities Act of 2001, H.R. 801, a bipartisan bill introduced on February 28, 2001. This legislation will also benefit low-income veterans who seek to obtain health care from VA.

The productivity of America’s family farms is undisputed. Family farms and ranches feed our Nation. Family members and unpaid workers account for 70% of farm labor in the United States. While America’s family farmers and ranchers are unmatched in their productivity, they have little or no control over many factors which determine the economic results of their labor.

Veterans who have gone in harm’s way and placed their lives on the line by serving our nation in the Armed Forces should not be asked to relinquish their family farm in order to qualify for veterans’ benefits. Unfortunately, that is what is occurring today. H.R. 801, which House Veterans Affairs Committee Chairman Chris Smith and I introduced together with J.D. Hayworth, Benefits Subcommittee Chairman and Ranking Democratic Subcommittee Member Silvestre Reyes, incorporates provisions to address this problem. I urge Members to support this bipartisan effort. Pension benefits administered by the Department of Veterans Affairs (VA) are payable
to wartime veterans who are totally and permanently disabled due to a non-service connected medical condition. A small, but important number of these disabled wartime veterans own family farms or ranches, which provide the livelihood for their families. Most family farms in the United States are very small. Over 75% of family farms have less than $50,000 in gross annual sales. After deductions for costs of operating the farm or ranch, the net income of the family farmer is much lower. Farmers receive an average of 20 cents for every dollar of produce sold. In 1995, the average net farm income for very small farms was $510. The average net farm income for small farms with gross sales between $50,000 and $250,000 averaged $14,335. Clearly most family farmers have modest annual income.

In determining eligibility for pension benefits, VA is required to consider not only the family income, but also the family’s "net worth." Currently, unless VA determines that the land can be sold at "no substantial sacrifice", the value of farm and ranch land is included in determining net worth. Some veteran farmers are "land rich." While having little or no liquid assets, the value of their land makes their "net worth" appear larger on paper.

Family farms are important not only for the food and fiber they produce, but also for the values they represent. Family farms should not be considered as simply substitutes for liquid bank accounts or other liquid assets. In good years, family farms and ranches provide an adequate income. In bad times, adverse crop conditions or illness, the income and liquid resources of family farmers and ranchers are quickly depleted. Wartime veterans have made a substantial sacrifice on behalf of our Nation by serving in the Armed Forces. We should not ask them to sacrifice their family farms in order to receive the assistance they are entitled to receive.

TRIBUTE TO THE REVEREND DOCTOR BENNETT WALKER SMITH, SR.—ST. JOHN BAPTIST CHURCH

HON. JACK QUINN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. QUINN. Mr. Speaker, I am honored today to pay tribute to my friend, Rev. Dr. Bennett Walker Smith, Sr. for his forty years of service in the ministry.

As Pastor of Saint John Baptist Church on Goodell in the City of Buffalo, Rev. Smith leads one of the largest and most vibrant congregations in all of Western New York. His steady message of service to God and community has inspired us all.

Throughout his remarkable life, Rev. Smith has been actively engaged in social and political change which has served to enhance the lives of all people, and African Americans in particular. His early years in the civil rights movement were shared with the late Reverend Dr. Martin Luther King, Jr., the late Reverend Ralph Abernathy, and the Reverend Jesse Jackson.

Within our Western New York community, Rev. Smith has taken a truly active role in the enhancement of the City of Buffalo. Under his leadership, St. John Baptist Church Leaders has constructed McCarley Gardens and the St. John Senior Citizens Tower, over 300 units in all, which provide housing for our community’s seniors. It has also constructed the St. John Christian Academy that provides outstanding educational opportunity to over 250 students. I am honored to work with him and St. John Baptist Church toward the completion of the next project, a Family Life Center that will provide a host of educational, health, and social services to our community.

In recognition of his service Rev. B.W. Smith has been honored as a member of “Who’s Who in Religion,” Ebony’s “100 Most Influential Black Americans,” and by the NCCJ, and has received the prestigious Evans-Young Award from the Buffalo Urban League.

Mr. Speaker, today I would like to join with the congregation of St. John Baptist Church and our entire Western New York community in recognition of the commitment to God, dedicated service, and leadership of Rev. Dr. B.W. Smith. I am honored to bring his great work to the attention of my colleagues and to this honorable body.

GUN VIOLENCE

HON. CAROLYN McCARTHY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mrs. McCARTHY of New York. Mr. Speaker, one year ago another special life was taken by gun violence in this country. Kayla Rollins was killed in her first grade classroom by a six year old boy who brought a loaded gun to school. The time has come and gone to end these senseless acts of gun violence by passing meaningful gun safety legislation. The political pandering over this issue must end. How many children should we allow to become victims of gun violence? It’s time for Congress to do the responsible thing and pass commonsense gun safety legislation. Kayla Rollins’ family, as well as all families who lost a loved one to gun violence, deserve action.

Mr. Speaker, I submit for the RECORD a statement from Kayla Rollins’s mother pleading for the Congress to pass immediate gun safety legislation.

Statement By Mrs. Rollins—March 1, 2001

Hello. I am Veronica McQueen. I am Kayla’s mother. These are hard times for me and Kayla’s brothers, sisters and her father, and for the rest of my family. Kayla’s death was devastating. There is not a day that goes by I do not cry as I go on with my life without my daughter. A part of my heart went with her. It is so hard for me to think that I will never see her smile, laugh or play again. I can never hold her and kiss her again, or see her grow up, get married and have a happy life. The gun that killed my daughter in her first grade classroom was a gun that could be loaded by a six year old child, concealed by a six year old child, and held and fired by a six year old child. Please, don’t ever forget that. This is proof that there is need for gun safety devices and gun control. I come here today, two days after what would have been her seventh birthday. I am a mom with a terrible tragedy, and I hope it never, ever happens again. Thank you.

HBCUs DESERVE PARITY

HON. EDOLPHUS TOWNS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. TOWNS. Mr. Speaker, as a graduate of North Carolina A&T University, one of the Historically Black Colleges and Universities (HBCU), I cannot help but rise to express my shock over the outrageous decision by the majority members of the Committee on Education and the Workforce to exclude HBCUs from the new 21st Century Competitiveness Subcommittee. I know that my friends across the aisle have no intention of riding on the media coattails of what some people perceive as this past fall’s denial of minority voting rights; nevertheless, this decision to separate HBCUs as well as Hispanic Serving Institutions (HSIs) and Tribally Controlled Colleges (TCCs) from non-minority higher education institutions on this subcommittee seems to play right into the hands of those who suggest that last fall’s events were part of a concerted effort to deprive minorities of our right to vote.

Furthermore, placing these institutions of higher education into a new select education subcommittee which shares jurisdiction with juvenile delinquency, welfare, and child abuse to suggest that minority education is more social experiment than higher education program. I cannot tell you how disappointed I am to find out in the 107th Congress that my education is now considered second rate by those in the majority. I join with my fellow Democratic Caucus members in urging the Majority in the House to restore HBCUs, HSIs, and TCCs to their appropriate status as equal institutions of higher education.
HONORING THE 40TH ANNIVERSARY OF THE PEACE CORPS

HON. STEVEN R. ROTHMAN
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 2001

Mr. ROTHMAN. Mr. Speaker, I rise today to pay tribute to the Peace Corps and to join in the celebration of this wonderful organization’s 40th anniversary.

Since its founding in 1961, few government initiatives have captured the imagination of the American people as the Peace Corps. Founded, in part, out of President John F. Kennedy’s bold vision for the future, the Peace Corps has served to promote world peace and friendship for four decades.

Remarkably, since 1961 over 160,000 Americans have joined the Peace Corps, serving in 134 countries and bringing hope to millions of people around the world. By working to bring clean water to villages and towns, teaching children, helping start small businesses and stopping the spread of dangerous diseases, Peace Corps volunteers have served as our nation’s ambassadors of “good will” to the rest of the world.

I am pleased to have Philip Peredo, a former Peace Corps volunteer, serve on my staff in my District Office in Hackensack, New Jersey. As a Peace Corps volunteer from 1998 until just last year, Phil taught English language classes at Neijiang Teacher’s University in the Sichuan Province of the People’s Republic of China. The lessons Phil taught his students about America will long endure, just as the lessons he learned from his students will stay with Phil for the rest of his life.

Whether they are in Africa, Asia and the Pacific, Central Asia, Eastern and Central Europe, or Central and South America, Peace Corps volunteers continue to make our world a better place.

For their idealism, for their commitment to achieving real progress for the less fortunate, for their dedication, and for their service to their country, I salute all Peace Corps volunteers, past and present.

I urge my colleagues to join me in cosponsoring this legislation.

This legislation, the Social Security Benefit Restoration Act, will bring this equity to retirement benefits. This bill will simply eliminate the public sector benefit penalty enacted in 1983 and allow all civil servants to draw full Social Security benefits.

I urge my colleagues to join me in cosponsoring this legislation. For every retired government employee and retired teacher in your district experiencing reduced Social Security benefits, I urge your support for this bill.

HONORING THE 40TH ANNIVERSARY OF THE PEACE CORPS

HON. TAMMY BALDWIN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 2001

Ms. BALDWIN. Mr. Speaker, I rise today to pay tribute to the 40th anniversary of the Peace Corps. Since 1961, over 161,000 Americans have offered their energy to improving conditions in over 134 nations around the world.

Reflecting the rich diversity of the United States, Peace Corps volunteers share a common spirit of service, dedication, and idealism. Peace Corps volunteers participate in intensive language and cross-cultural training to help them better adapt to their new communities. In addition to learning the local language and adapting to new cultures, volunteers also help improve their surroundings. Corps volunteers work to bring clean water to underdeveloped communities, teach children, start new small businesses, and stop the spread of AIDS. The Peace Corps always goes about its mission with the knowledge that, with assistance, developing nations can take control of their own destiny.

Because the University of Wisconsin-Madison has been a leading producer of Peace Corps volunteers for over a decade, the Peace Corps has chosen to commemorate their 40th Anniversary at the University of Wisconsin-Madison. Many of the first to serve in the Peace Corps were alumni of the UW-Madison. Since 1961, more than 2,500 alumni have dedicated a minimum of two years of their lives to help developing countries around the world. Almost 200 current graduate students, faculty, and staff have served in the Peace Corps. The Returned Peace Corps Volunteers (RPCV) are an extremely active group in the 2nd Congressional District and a vital force in the Peace Corps community.

Fifty years later, the Peace Corps continues to fulfill its promise by sharing one of our most precious resources: its citizens. The work of these volunteers has helped engender a positive view of the United States around the world. As we citizens of the world, should honor the commitment of such an important organization.

VETERANS HOSPITALS EMERGENCY REPAIR ACT

HON. CHRISTOPHER H. SMITH
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 2001

Mr. SMITH of New Jersey. Mr. Speaker, on behalf of myself, Mr. Evans of Illinois, Mr. Moran of Kansas and Mr. Filner of California, and other members of the Veteran’s Affairs Committee, I am introducing a new measure, the “Veterans Hospitals Emergency Repair Act,” that my colleagues and I hope will begin to address what has become a troubling and lingering problem in some of our Nation’s veterans hospitals: a crumbling and substandard patient-care infrastructure. The problems even include buildings that could collapse in earthquakes. In fact, Mr. Speaker, just yesterday in Tacoma, Washington, an earthquake measured 6.8 magnitude damaged patient care buildings 6 and 81 on the campus of the American Lake VA Medical Center.

Mr. Speaker, for the past several years, we have noted that the President’s annual budget for VA health care has requested little or no funding for major medical facility construction projects for America’s veterans. As I indicated last year in our report to the Committee on the Budget request for fiscal year 2001, VA has engaged in an effort through market-based research by independent organizations to determine whether present VA facility infrastructures are meeting needs in the most appropriate manner, and whether services to veterans can be enhanced with alternative approaches. This process, called “Capital Assets Realignment for Enhanced Services,” or “CARES,” has commenced within the Department of Veterans Affairs, but will require several years before bearing fruit. In the meantime, some VA hospitals need additional maintenance, repair and improvements to address immediate dangers and hazards, to promote safety and to sustain a reasonable standard of care for the nation’s veterans. Recent reports by outside consultants and VA have revealed that dozens of VA health care buildings are seriously at risk of damage. The buildings at American Lake damaged in yesterday’s earthquake were among those identified as being at the highest levels of risk.

Also, Mr. Speaker, a report by VA identified $57 million in improvements were needed to address women’s health care; another report, by the Price Waterhouse firm, concluded that VA should be spending from 2 percent to 4 percent of its “plant replacement value” (PRV) on upkeep and replacement of its health care facilities. This PRV value in VA is about $35 billion; thus, using the Price Waterhouse index on maintenance and replacement, VA should be spending from $700 million to $1.4 billion each year. In fact, in fiscal year 2001, VA will spend only $170.2 million for these purposes.

While Congress authorized a number of major medical construction projects in the past three fiscal years, these have received no funding through the appropriations process. I understand that some of the more recent deferrals of major VA construction funding were intended to permit the CARES process to proceed in an orderly fashion, avoiding unnecessary spending on VA hospital facilities that might, in the future, be needed for veterans. I agree with this general policy, especially for those larger hospital projects, ones that ordinarily would be considered under our regular annual construction authorization authority. We need to resist wasteful spending, especially when overall funds are so precious. But I believe that I have a better plan.

Mr. Speaker, when I assumed the Chairmanship of the Veterans Committee earlier this year, I asked what steps my colleagues...
and I might take immediately that could help our veterans. The legislation that I am introducing today is part of the answer. This bill, which I am pleased is cosponsored by my friend and the Ranking Member of the Committee, Lane Evans of Illinois, Mr. JERRY MORAN of Kansas, our new Chairman of the Subcommittee, as well as the Subcommittee’s Ranking Member, Mr. BOB FILER of California, as well as other members of the Veteran’s Affairs Committee, sets up a temporary, 2-year program of delegated authorizations of smaller construction projects (each limited to a cost of less than $25 million) that would update, improve and restore VA health care facilities in a defined number of sites each of these years. The Secretary would be given this power to approve individual facility projects, generally based on recommendations of an independent capital investments board and on criteria detailed in our bill that place a premium on projects to protect patient safety and privacy, improve seismic protection, provide barrier-free accommodation, and improve VA patient care facilities in several specialized areas of care, such as privacy needs for women veterans, in order to meet the contemporary standard of care for our veterans.

The bill would require the Secretary, at the end of the process, to report his actions to the VA Committee and to the Appropriations Committee. The bill, as well as with the CARES process, would mandate a review of this delegated-project approach by the General Accounting Office, to ensure that this is an effective mechanism to advance some VA medical construction during the pendency of CARES.

Mr. Speaker, our bill would authorize appropriations of $250 million in fiscal year 2002, and $300 million in fiscal year 2003, to accomplish these projects under the authority provided. Thus, I believe we can make the case for this interim approach and gain support for moving a specific list of relatively small but critical projects forward with independent review. I believe we soon can be doing something urgently needed for veterans, in the best traditions of our continuing commitment to them. Then we can wait the development and conclusion of the CARES process, more comfortable in the knowledge that at least for many VA hospitals, their emergency maintenance needs for small-scale construction projects will not go unnoticed, unauthorized—and unfunded.

It should be noted that nothing in this bill prevents the Committee or the Congress from still considering the merits of large-scale, VA major medical facility construction project authorizations in these two fiscal years, should we decide to take such decisions, now or in the future. By its nature, the bill is intended as a stopgap measure to give the VA Secretary limited authority to keep its health care system viable while the CARES process proceeds.

Mr. Speaker, I believe, and I hope that my colleagues will agree with me, that this is a worthy bill. On very short notice, when VA was informally advised about the prospect of this kind of bill being introduced and considered by this House, 25 projects that would be appropriate under its terms were immediately identified. I am certain that there are many more, in all sectors of the VA health care system, that the Secretary will have an opportunity to consider and approve under this authority. Many VA facilities need funds right now for small projects on an emergency basis. In good conscience, we cannot continue to ignore them. In my judgment, we cannot afford to wait several years before deciding to provide funds when these projects confront the VA system, the veterans, and us today.

I strongly urge my colleagues to support this bill and help enact it as a high priority early this year.

IN HONOR OF JOHN JUSTIN, JR.

HON. KAY GRANGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Ms. GRANGER. Mr. Speaker, I rise today to honor and remember the life of a great Texan, John Justin, Jr. Mr. Justin passed away Monday at his home in Fort Worth, Texas. He was 94 years old. He was a boot maker and civic leader who was a tireless promoter of Fort Worth’s western heritage. Our thoughts and prayers go out to his wife, Jane, his daughter Mary, son David, and to all of his family at this difficult time in their lives.

Mr. Justin was born in Nocona, Texas on January 17th, 1917 to John and Ruby Justin. He attended high school in Fort Worth but left as a teenager to come to Washington, DC, where he worked for Acme Brick. John Justin, Jr. oversaw the introduction of several popular boot styles, and, under his direction, Justin Industries was regularly the boot market leader. Its motto, “The Standard of the West” says it all.

Mr. Justin was very active in the community. He was a member of the Fort Worth City Council from 1959 to 1961 and was mayor from 1961 to 1963. He was longtime chairman of the Fort Worth Stock Show and Rodeo. In the 1960s he led the drive to build the equestrian center at the Will Rogers complex that is now named in his honor. John Justin, Jr.’s most lasting contribution to Fort Worth will undoubtedly be his drive to promote the city’s western heritage. There is no question that he will be deeply missed within the Texas civic community.

Again, my heart goes out to Mr. Justin’s family and to all those who are grieving his passing. He gave unselfishly to the city he loved so much. John Justin, Jr. was a Texas icon and his contributions to our community will never be forgotten.

SOCIAL SECURITY GUARANTEE ACT

HON. WALTER B. JONES
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. JONES of North Carolina. Mr. Speaker, I rise today to introduce legislation to protect the Social Security benefits of our senior citizens. With the prospect of Social Security reform looming in the not so distant future, it is important that we assure seniors that their benefits will not be cut to expedite Social Security reform. Seniors have worked too hard for a secure retirement, to see it jeopardized by a short-sighted effort to ensure future Social Security solvency.

Under current law, Americans have no property right to their Social Security benefits. Many Americans have paid Social Security taxes over their working lifetimes and are planning for retirement with the expectation that they will receive these Social Security benefits. However, at any time, Congress could eliminate or reduce these benefits in the name of Social Security reform.

The Social Security Guarantee Act would eliminate concerns over benefit reduction by seeking to give seniors a property right to their retirement benefits. Specifically, it would require the Secretary of the Treasury to issue to each recipient of Social Security retirement benefits a certificate that includes a written guarantee of a fixed monthly benefit, plus a guaranteed annual cost-of-living increase. By doing so, we hope to eliminate the use of senior scare tactics that have doomed Social Security reform prospects in the past.

I believe this is an important first step toward meaningful Social Security reform. We as members of Congress have a duty to our seniors to ensure their retirement security will not be jeopardized. At the same time, we cannot lose sight of the overall goal of reforming the Social Security program so that today’s workers will have the retirement that they deserve as well.

Please join me in supporting this legislation as the beginning of meaningful discourse on Social Security reform.

HONORING ARCHBISHOP EDWARD M. EGAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. GRUCCI. Mr. Speaker, it is with great pleasure that I rise today to congratulate the Most Reverend Edward M. Egan, Archbishop of New York upon his elevation to the dignity of Cardinal.

The Most Reverend Edward Egan is only the seventh Archbishop of New York to be named a Cardinal in the last one hundred and twenty five years. He was born on April 2, 1932, in Oak Park, Illinois. Having earned his Bachelor’s in Philosophy from Saint Mary of the Lake Seminary in Mundelein, Illinois, he returned to Rome to complete his theological studies at Pontifical North American College in Vatican City. In 1958, he received a Licentiate in Sacred Theology from the Pontifical Gregorian University.
After ordination in Rome, he returned to the United States where he was assigned to the staff of Holy Name Cathedral in Chicago and the following year was named Secretary and Master of Ceremonies to Cardinal Albert Meyer. He was also named Assistant Chancellor.

From 1960 to 1965, Cardinal Archbishop Egan was Assistant Vice Rector of the North American College in Rome.

In 1972 he was appointed an auditor of the Sacred Roman Rota, which is the ordinary court of appeals for canonical cases appealed to the Vatican, particularly regarding the validity of marriage. He served as a judge of the Tribunal of the Rota from 1973 to 1985.

He was named Auxiliary Bishop of New York on April 4, 1985, and served as Vicar for Education for the New York archdiocese. He was appointed Bishop of Bridgeport on November 8, 1988. Since coming to the Diocese of Bridgeport, Bishop Egan has overseen the regionalization of diocesan elementary schools, established active Hispanic and Haitian Apostolates, founded the Saint John Fisher Seminary Residence for young men considering the priesthood, reorganized diocesan healthcare facilities, and initiated the inner-city Foundation for Charity and Education.

It’s most fitting that Cardinal Egan is the successor of the late John Cardinal O’Connor. New York’s new Cardinal is well aware of the legacy left by his predecessor and he is well prepared to continue and strengthen that legacy.

As he assumes his leadership role in the Archdiocese of New York, it is right for us to wish him success in making this great community a more human, more caring and more believing community of Brothers and Sisters.

In commemoration of Helen Stirling Gill

HON. PETER DEUTSCH
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. DEUTSCH. Mr. Speaker, I rise to honor the lifetime achievements of one of Davie, Florida’s most active and charitable volunteers. Helen Stirling Gill, daughter of Davie’s first mayor Frank Stirling, died Saturday, February 17, 2001, at the age of 78. Mrs. Gill was an active philanthropist for several decades, giving countless hours of service to her community. She will be dearly missed by the city’s residents.

Born on July 10, 1922, in Gainesville, Mrs. Gill moved to Davie with her family in 1924, where her father was elected the town’s first mayor. She married William “Billie” Gill in 1945, and the couple settled in Davie where they established their family business, Gill Realty.

Charming and attractive, Mrs. Gill was chosen as Davie’s Orange Blossom Queen in the early 1940’s. Devoted to the joy which local pageantry brought to her community, Mrs. Gill continued to help with the Orange Blossom festivities throughout her life by organizing Orange Blossom bake sales and events for children. In recognition of Mrs. Gill’s contribution to their town, the Davie Chamber of Commerce dedicated the 66th Orange Blossom Festival Parade held February 24, 2001 to Mrs. Gill.

Mrs. Gill was also a devoted member of the Davie United Methodist Church where she taught Sunday School and played the piano during church services. Always a generous caretaker of her community, she visited the sick and prepared many meals for church community dinners.

In a collaborative effort with her husband and other Davie citizens, Mrs. Gill donated four acres for the creation of the Sheridan House for Girls in Southwest Ranches. The Sheridan House is a group home for girls and young women whose parents are unable to care for them. Mrs. Gill’s generous contribution and care for those young women is testimony to her kind spirit and love for her community. Indeed, Mr. Speaker, Helen Stirling Gill has left a lasting legacy for the people of Davie, Florida. She will be fondly remembered and dearly missed.

CELEBRATING PEACE CORPS 40TH ANNIVERSARY

HON. MIKE HONDA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. HONDA. Mr. Speaker, today I speak in recognition of the dedication and commitment of Peace Corps volunteers for the past four decades. Since its inception on March 1, 1961 the Peace Corps has become a powerful symbol of America’s commitment to encouraging progress and developing opportunity across the world.

Today marks the 40th anniversary of the Executive Order signed by president John F. Kennedy that established the Peace Corps. Over 162,000 Americans, including seven current members of Congress, have served as Peace Corps volunteers. They have made significant and lasting contributions in agriculture, health care, science, human rights, and the environment, serving in over 134 nations worldwide. At the same time, they have been enriched by their experience and strengthened the ties of friendship between the people of the United States and the citizens of other nations.

The Peace Corps also serves as a model for countless other programs and continues to foster a spirit of cooperation and volunteerism worldwide. Its volunteers come from all races and all walks of life and embody the core values that we as Americans treasure.

I served in the Peace Corps from 1965 to 1967 in El Salvador. Like many returning volunteers, I have carried the ideals of the Peace Corps and the concept of public service my entire life—into my own community and into my career in the United States Congress.

Mr. Speaker, it is well fitting that Cardinal Egan is the new Cardinal is well aware of the history and abiding respect for and dedication to education.

As he assumes his leadership role in the Archdiocese of New York, it is right for us to wish him success in making this great community a more human, more caring and more believing community of Brothers and Sisters.

Colleagues, please join me and all the members of the Archdiocese of New York in congratulating the Most Reverend Edward M. Egan upon his elevation to the dignity of Cardinal.
HONORING THE 86TH BIRTHDAY OF THE UNITED STATES NAVAL RESERVE

HON. BOB BARR
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. BARR of Georgia. Mr. Speaker, today I commend the men and women who serve in the United States Naval Reserve. On March 3, 2001, the Naval Reserve will celebrate its 86th Birthday. Today almost 90,000 Naval Reservists stand alongside their active duty colleagues in defense of our nation in the preservation of our freedoms both here and abroad. The Naval Reserve is an essential asset in assisting the United States Navy meet the challenges of an unpredictable and dangerous world. As the last remaining superpower, the United States has been, and will be, called on to protect our interest throughout every region of the World. The Naval Reserve stands ready to meet that challenge.

This year, our country will mark the 50th anniversary of the attack on Pearl Harbor and the entrance of the United States in World War II. In Hawaii, the USS Arizona and the USS Missouri serve as a symbol to both the beginning and the ending of one of America’s finest hours. For these two ships serve as a vivid reminder of the sacrifices, including their very lives, that were given by active and duty reserve sailors.

Mr. Speaker, I ask my colleagues to recognize the contribution Naval Reservists make each and every day on behalf of this nation.

IN HONOR OF BROOKS COUNTY AND ITS 90TH ANNIVERSARY

HON. RUBÉN HINOJOSA
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. HINOJOSA of Texas. Mr. Speaker, today I honor the 90th Anniversary of Brooks County, Texas. Brooks County was created in 1911 and will commemorate its 90th anniversary at a celebration on Saturday, March 3, 2001.

Led by County Judge Homer Mora and County Commissioners Gloria Garza, Ramon Navarro, Raul M. Ramirez, and Salvador Gonzalez, Brooks County is entering an era of new beginnings. The county is currently working on several projects to stimulate economic development, improve its infrastructure, and preserve its heritage and culture.

Compromising more than 900 square miles, Brooks County is between the Nueces and Rio Grande Rivers in South Texas. Brooks County is a ranching area famous for its cattle breeding and meat production, including grazing grounds for deer, turkey, javelina, and a variety of birds. The area is also known for its agricultural industry, including products such as cotton, peanuts, vegetables, and melons. Brooks County’s most valuable resource is its 9,000 residents, whose active participation in their community is evident through their commitment to historic preservation and volunteer spirit.

Some of the points of interest in historic Brooks County include the Heritage Museum of Falfurrias, a shrine to Don Pedro Jaramillo, and the first highway in Texas, a 20-mile section completed in 1920.

BILL TO DESIGNATE FEDERAL BUILDING IN MEDINA, OHIO AS THE DONALD J. PEASE FEDERAL BUILDING

HON. SHERROD BROWN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. BROWN of Ohio. Mr. Speaker, Don Pease began his long and distinguished congressional career in 1976, a time when Gerald Ford was President of the United States and Ohio’s 13th District was characterized by growing industrialization and rural communities. Upon his retirement in 1992, Don Pease could look back and see a fundamentally changed landscape he helped shape on both a local and national level.

A native of Medina, Ohio, Pease is a graduate of Ohio University and served on the Oberlin City Council, in the Ohio House and Senate, and as editor of the Oberlin News-Tribune. In 1976, he won election to the U.S. House of Representatives.

Pease spearheaded the fight for human rights protections with his standing on the International Relations Committee. Five years later, he secured a seat on the House Ways and Means Committee and further dedicated himself to tax policy.

Don’s legislative victories were marked by an ability to reach consensus. His efforts to work with both sides of the aisle include service on the conference committee for the hotly debated tax reform bill of 1986, and mediation between congressional leaders and the Bush administration on tax policy and China’s most-favored nation status.

Since leaving Congress, Pease has returned to Ohio. He has served on the Board of Amtrak, and currently serves as Visiting Distinguished Professor in Oberlin College’s Department of Politics.

Don Pease was and still is, committed to Ohio’s working families. His efforts to improve education, expand access to health care, and support workers have made a difference in our lives. By renaming the Medina Federal Building at 143 West Liberty Street in Medina, Ohio, as the “Donald J. Pease Federal Building,” this bill honors his hard work in the district he loves so much.

Don Pease was held in high regard as both an ethical and able legislator. He devoted 16 years of service to the 13th District, the state of Ohio, and the nation. I am pleased to join elected colleagues and colleagues in Ohio in recognizing his dedication to improving people’s lives. Thank you.

A TRIBUTE TO RETIRING COL. TONY J. BUCKLES

HON. BENJAMIN A. GILMAN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. GILMAN. Mr. Speaker, today, I am pleased to recognize the outstanding service to our Nation by Colonel Tony J. Buckles, who will be retiring from the Army on April 1, 2001 after a distinguished career that has spanned over 30 years of dedicated service. Tony Buckles distinguished himself as a leader who epitomized the modern American professional soldier.

Tony Buckles’ illustrious career as an Armor Officer embodied all of the Army’s values of Loyalty, Duty, Respect, Selfless Service, Honor, Integrity, and Personal Courage.

Colonel Buckles demonstrated his outstanding tactical and operational expertise in numerous command and staff positions overseas and in the continental United States. Continually serving in positions of ever-increasing responsibility, the highlights of his career include serving as an Armor Company Commander three times and the youngest Armor Battalion Commander in the Army.

Tony served as the Chief of Plans and Operations at the Combat Maneuver Training Center in Hohenfels, Germany at the peak of the Cold War. He was responsible for the development and evaluation of warfighting skills for all armor and mechanized forces in the European Theater.

Tony’s talent for solving complex management problems complemented his proven operational skill. During Operation DESERT STORM, Colonel Buckles spearheaded the $2.6 billion dollar total package fielding of the Light Armored Vehicle to the Saudi Arabian National Guard. His subsequent assignment was Chief, Combat Arms Division, US Total Army Personnel Command, where he was responsible for the career management of 28,000 combat arms officers from accession through retirement. He also served as the Garrison Commander of the Army’s largest installation at Fort Hood, Texas. This facility covered an area of 340 square miles and supported all aspects of life and training for 195,000 soldiers and families.

As evidence of the quality of Colonel Buckles’ leadership, management, and interpersonal skills, he was specially selected to serve as the Chief of the Army’s Congressional Liaison Office in the United States House of Representatives. He was responsible for maintaining liaison with 435 Members of Congress, their personal staffs, and twenty permanent or select legislative committees. During that period, Tony personally escorted more than 200 Members of Congress on fact-finding missions to over 75 foreign countries. His dedication, candor and professionalism while serving in that capacity earned him the reputation as the best source on Capitol Hill to resolve issues pertaining to the Army.

Accordingly, I invite my colleagues to join in offering our heartfelt congratulations to Colonel Tony J. Buckles on a career of selfless service marked by his resolute dedication and unwavering integrity. He represents the very best that our great Nation has to offer. We wish Tony and his wife, Nancy, continued success and happiness in all of their future endeavors.

BLACK HISTORY MONTH 2001

HON. MIKE McIntyre
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. McIntyre. Mr. Speaker, each year during the month of February, we as a nation
come together to honor the history of African Americans. We do so by celebrating this nation’s greatest legacy: the legacy of liberation.

Dr. Martin Luther King, one of this nation’s greatest liberators, once said, “Let’s make America what it ought to be... Let’s make America a better nation—a nation of liberty and justice for all. Dr. King knew, as Frederick Douglass once said, “Liberty given is never so precious as liberty bought for and fought for.”

The efforts of freedom fighters such as Dr. King and Frederick Douglass, we have come a long way toward fulfilling the legacy of liberation. However, we still have a long way to go before all citizens—no matter their skin color—will be able to share in this legacy and truly know what it is to be free.

Today, I want to share with you the three ingredients necessary to fulfill the legacy of liberation: listening, learning, and leading. We must listen to the voices of the past who fought for freedom for all African Americans. We must learn from the accomplishments and achievements of our greatest African-American leaders. And we must lead the way to liberty by following in the footsteps of our greatest African-American leaders.

First, we must begin by listening to the voices of liberty. We must listen to the pioneers—leaders and activists who have fought the vision to see through the injustice of slavery and recognize the value of respect of all individuals no matter what the color of their skin. If we listen closely, we will hear the voices of those who articulated the hope and promise of our nation’s voices of those who spoke up, stood up, and fought for the true significance of “one Nation, under God, indivisible, with liberty and justice for all.”

And whose voices do we hear? We hear the voices of Frederick Douglass, Harriet Tubman, Abraham Lincoln, Carter Woodson, Rosa Parks, and Martin Luther King, Jr. Their voices are the voices of liberty. And while many have listened, some have not heard their message. But we cannot give up—we must keep listening until each and every voice of liberty is heard.

In addition to listening to the voices of liberty, we must also learn from their legacy. This legacy of liberation includes the great contributions that African Americans have made to society. These are achievements that build upon the foundation of liberty and strengthen our nation’s freedom. John F. Kennedy, one of this nation’s greatest Presidents, once said, “In a time of turbulence and change, it is more true than ever that knowledge is power.”

The turbulence of the Civil War and the Civil Rights Movement brought to light some of the greatest changes that we have ever seen in the history of this nation. We, as a nation, were forced to address and acknowledge our total history. In doing so, we finally began to recognize the accomplishments of all of our citizens. This knowledge of our past has served to strengthen the legacy of liberation and bring hope to the future.

Indeed there is so much we can learn from our African-American brothers and sisters if we will only take the time to do so. The list of accomplishments is long and distinguished. I would like to share just a few with you today. For example, a black slave by the name of Onesius experimented with smallpox vaccines in the 1720s. Elijah McCoy’s perfection of the locomotive engine led people to say they wanted his product, not some cheap imitation. They wanted the real McCoy! George Washington Carver, an agricultural revolutionary, concentrated his research on industrial uses of cotton, peanuts, pecans, and sweet potatoes. Dr. Charles Dew is responsible for engineering locomotive engine led people to say they wanted his product, not some cheap imitation. They wanted the real McCoy! George Washington Carver, an agricultural revolutionary, concentrated his research on industrial uses of cotton, peanuts, pecans, and sweet potatoes. Dr. Charles Dew is responsible for engineering projects in the fields of engineering and agriculture.

Langston Hughes, who was known as the “Poet Laureate of Black America,” helped bring vision and scope to African-American literature through his poetry. Duke Ellington brought jazz to the forefront of music and helped to realize that America would not be the same without the contributions of these pioneers.

They helped to make America what it is today and further the legacy of liberation. If Dr. King were here today, he would be pleased with the progress that has been made in recognizing African Americans for their contributions to society. But he would also tell us to roll up our sleeves because the cause is not yet finished. Much remains to be done! Much remains to be learned!

We must not only listen and learn from liberty’s legacy, but we must also lead the way toward greater freedom for all. We can do so by following in the footsteps of some of this nation’s greatest leaders—the leaders of liberation.

When jailed in Birmingham, Alabama, Dr. Martin Luther King, Jr., composed a letter in the margins of a newspaper and continued writing on scraps of paper some of the most powerful words ever written. He eloquently described many injustices still being committed by too many African Americans. Near the end of that letter, he noted that, “One day the South will recognize its real heroes.” Those heroes are the leaders of liberation—leaders like Martin Luther King, Jr., Rosa Parks, and the Little Rock Nine. These leaders and that generation understood for what they believed in: equality and freedom for all. Their actions changed our nation forever, and for that we are grateful.

I had the distinct privilege to recognize the efforts of Rosa Parks and the Little Rock Nine when we in Congress presented them with the Congressional Gold Medal for their efforts to break down racial barriers and fulfill the legacy of liberation. I am also pleased to have supported legislation to construct the Martin Luther King, Jr., Rosa Parks, and the Little Rock Nine memorial in Tidal Basin in Washington, DC., to honor Dr. King’s dream of freedom and equality for all.

I also ask you to consider the impact African Americans have had in politics and civil rights right here in southeastern North Carolina. We should call attention to the African-American leaders who served our nation and our communities in ways unimaginable 100 years ago or even 50 years ago. African Americans now serve in unprecedented numbers in elected and appointed roles of government. These advances would not have been possible without those pioneers who opened doors of opportunity for all. I’m speaking of local leaders from southeastern North Carolina, such as Hiram Rhoades Revels, the first African-American member of Congress; Minnie Evans, an artist from this area whose work hangs in the White House; Meadowlark Lemon, the clown prince of basketball who led the Harlem Globetrotters to world prominence; and Michael Jordan, the greatest athlete in the history of sports. I am speaking of learning from these African-American leaders of the past and present, we can honor their legacies and strengthen our own liberty.

On the night before his assassination, Dr. King prophetically said, “Like anybody, I would like to live a long life. Longevity has its place. But I’m not concerned about that now. I just want to do God’s will. And he’s allowed me to go to the mountain. And I’ve seen the Promised Land. I may not get there with you, but I want you to know tonight that we as a people will get to the Promised Land.” Together, we will fulfill the legacy of liberation through listening, learning, and leading, so that we might one day reach the Promised Land that Dr. King dreamed of for all Americans—a land of equality, freedom and justice for all. It begins now. It begins with us. We have listened! We have learned! We must lead!

CONGRATULATING THE PEACE CORPS ON ITS 40TH ANNIVERSARY

HON. CHRISTOPHER SHAYS OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 2001

Mr. SHAYS. Mr. Speaker, it is a great pleasure to congratulate the Peace Corps as it celebrates the 40th anniversary of its founding. This truly is a milestone.

Founded in 1961, the Peace Corps has sought to meet its legislative mandate of promoting world peace and friendship by sending American volunteers to serve at the grassroots level in villages and towns in all corners of the globe. Living and working with ordinary people, volunteers contributed in a variety of capacities—such as teachers, foresters, farmers, small business advisors—to improving the lives of those they serve. They also seek to share their understanding of other countries with Americans back home.

As a returned volunteer, I can attest to the positive impact Peace Corps volunteers have on the lives of people around the world and here in the United States. Volunteers are not high-priced consultants but hands-on workers in the trenches who live in the communities they serve. In many cases, they speak the native language and become a part of the local culture.

To date, more than 151,000 volunteers have served in 132 countries. Currently, 7,300 Peace Corps volunteers serve in 76 countries, helping improve the lives of children, their families and their communities.

Volunteers also come back to the United States with a commitment to service, as well as the skills and interest in world affairs needed to be leaders in the global community. Many successful Americans served in the Peace Corps; their Peace Corps skills and perspectives shaped their lives and their careers.


I believe I would not be a Member of Congress today if I did not serve in the Peace Corps and know I am a better person for my service.

The Peace Corps has played an important role overseas and here at home. And my
Mr. WOLF. Mr. Speaker, I speak today after reading in a local paper that Delegate Harry J. Parrish, of Manassas, Virginia, has recently been recognized by the Virginia General Assembly for 50 years of public service. I want to bring to my colleagues’ attention some highlights of this gentleman’s exemplary career of service to the people of Manassas, the Commonwealth of Virginia and the United States of America.

Delegate Harry Parrish was born on February 19, 1922, on a farm in Fairfax County, Virginia. Shortly after his birth, his family moved to Manassas where his father bought a coal and ice company and renamed it the Manassas Ice and Fuel Company, Inc., which is still in existence today. As he was growing up, his father encouraged him to pursue flying, an interest that led him to fly for the U.S. Air Force. Mr. Parrish graduated from Osbourn High School in 1940 where he was a member of Prince William County’s first high school football team. He then attended Virginia Polytechnic Institute to seek a degree in business administration. His courses were accelerated at the onset of the American involvement in World War 11, and in 1942, Mr. Parrish enlisted in the U.S. Army Air Corps, which later became the U.S. Air Force.

Mr. Parrish had a remarkable and distinguished military career. He was one of only 17 Americans hand selected to attend the Royal Air Force Flight School, No. 5 where he graduated as a pilot, navigator, bombardier, radio operator and armaments man. Through his extensive training, Mr. Parrish became one of the legendary pilots who served in the China-Burma-India Theater where he “flew the hump” and delivered vital war supplies to our troops. Of all his accomplishments, his experiences in World War 11 are the moments in his life of which he is the most proud.

While on active duty, Mr. Parrish was a flight commander, squadron commander, wing operations officer and base operations officer. Following the war, Mr. Parrish went into the Air Force Reserves and served active tours of duty in the Korean and Vietnam wars. Mr. Parrish retired from the Air Force in 1971 with the rank of full colonel and with multiple awards and decorations including the Air Medal with Two Oak Leaf Clusters and the Distinguished Flying Cross.

After the war, Mr. Parrish returned home to work for his father in his ice and fuel business. Mr. Parrish again followed in his father’s footsteps when he began serving the Town of Manassas in 1951 as town councilman. He served as councilman until being elected mayor of Manassas in 1963. Mr. Parrish served as mayor for 18 years during which time the town grew from a city. His service as mayor had such a positive impact on Manassas that in 1973 he was named the “Town of Manassas Man of the Century.” He left his position as mayor and ran successfully for a seat in the Virginia House of Delegates in 1981, a post which he holds to this day.

Mr. Parrish is currently the co-chairman of the House Finance Committee and a member of the House Committees on Conservation and Natural Resources, Commerce and Labor, Corporations, Insurance and Banking, Rules and Joint Rules. Mr. Parrish also serves on numerous state and local legislative and civic boards including the joint Legislative Audit and Review Commission, the Virginia Coal and Energy Commission, and Virginia Veterans Cemetery Board. He is now the chairman of the board of the company his father began in 1922, the Manassas Ice and Fuel Company, Inc., and his son, Hal, is the president. He has served as president of the Virginia Municipal League and on the boards of United Virginia Bank and Crestar Bank. Mr. Parrish is one of the founders of the Prince William Hospital where he has served on the board of directors.

Mr. Parrish has been involved in far too many community clubs and groups to mention all of them at this time. Mr. Parrish is a member of Grace United Methodist Church in Manassas, the Kiwanis Club of Manassas, the American Red Cross, the Society for Preservation of Black Heritage, and Boy Scouts of America. He has also been a member of the Manassas Volunteer Fire Company since 1948.

In addition to the honors and credit to his name that I have already mentioned, he has also received the Distinguished Service Award from the Virginia Oil Men’s Association and in 1998 was recognized by his peers by being named Virginia Oil Man of the Year. Also, in 1995 he served, along with his wife Mattie, as the grand marshal of the Manassas Christmas Parade.

He met Mattie during his years at Osbourn High School in Manassas where they have been sweethearts since eighth grade. Mattie has been an incredible source of support and devotion ever since. They have two children and three grandchildren.

The most amazing thing about Mr. Parrish is that despite his long and distinguished career, he remains without doubt one of the most humble public servants that can be found anywhere. Throughout his 50 years of public service and during his time in the military, he has shown extraordinary and tireless dedication to his country, state, city, church and family.

Mr. Speaker, I know that my colleagues join me in commending Delegate Harry Parrish for achieving 50 years of remarkable public service.
I salute the Peace Corps and the thousands of volunteers who have served, and I look forward to many more years for this organization which has truly made a difference around the world.

A TRIBUTE TO JOE FRANCIS

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 1, 2001

Mr. FILNER. Mr. Speaker, today I recognize Joseph S. Francis, a man named by the San Diego Business Journal as “San Diego’s Top Labor Leader”. On March 2, 2001, Joe is retiring from the position of Executive Director of Labor’s Community Service Agency, an agency he founded in 1985.

Labor’s Community Service Agency is a non-profit organization, committed to serving workers, their families and the larger community. It develops partnerships with government, business, and labor—so these sectors can cooperate in making our city a better place to work and live. As Executive Director of labor’s Community Service Agency, Joe has developed many programs that address the needs of workers in San Diego.

He is also currently the editor of the Messenger, Vice President of Job Training Associates, Board Member of the San Diego Carrier Museum, and a member of the San Diego County Board of Economic Advisors. His past positions include Executive Secretary of the San Diego-Imperial Counties Labor Council and Director of the Committee on Political Education (COPE). Joe was honored with a Distinguished Service Award by the San Diego-Imperial Counties Labor Council in 1996.

Raised in New Bedford, MA, Joe moved to San Diego in 1953. He first worked at Convair, followed by the San Diego Fire Department where he was involved in the local Firefighters Union. He was elected director of the Union Board in 1965—and later served as Secretary and then President of Local 145. In 1980, he was elected Executive-Director of the San Diego-Imperial Counties Labor Council with an overwhelming two-thirds of the vote.

Although organizing workers is his primary focus, Joe has also contributed to the community through his service on the Boards of the following organizations: United Way, the San Diego Technology Council, the Salvation Army, the Regional Employment Training Consortium, and as President of the San Diego Convention Center Corporation.

On the occasion of Joe’s retirement from service as Executive Director of Labor’s Community Service Agency, I want to sincerely thank him for his far-reaching vision, his relentless passion, and his tireless service to the working men and women in San Diego and throughout the nation.

Joe, you serve as a model of dedication and energy which we will follow as we strive to carry on the work that you have begun.
Studies at Warren Harding High School for 14 years.

His excellence in bilingual education, Mr. Reinoso has received numerous awards and honors, including a citation from the Connecticut General Assembly for Excelling in Education; Teacher of the Year, Warren Harding H.S.; Connecticut Bilingual Teacher of the Year; an Award for Outstanding Achievement as Bilingual Teacher from Hispanic Society, Inc.; and the National Education Association Human Civil Rights Award. In addition, he has received the Points of Light Foundation President’s Service Award from President Clinton.

On November 7, 2000, Felipe Reinoso became the first Peruvian-American in United States history to be elected as a legislator. Today, he proudly represents the 130th District of Bridgeport, Connecticut. Mr. Reinoso’s victory resonates with historic significance, and gives a greater voice to the concerns of the Hispanic community.

In honoring Felipe Reinoso, Nosotros Magazine is proud to list some of the most important values in American society today: hard work, dedication, and compassion. Mr. Reinoso embodies these American ideals; and, throughout his career, he has worked tirelessly to provide others with the opportunity to meet the standard of excellence he has set. As an educator, he has worked hard to empower Hispanic Americans, and I am confident that he will continue his valuable service to the Hispanic community and to the State of Connecticut.

Because of community leaders like Mr. Reinoso, the Hispanic community is not only experiencing economic empowerment, but also political strength. Today, we prepare for a future that reflects our years of hard work, and our commitment to each other.

Today, I ask my colleagues to join me in recognizing Felipe Reinoso for his many contributions to the Hispanic community and to the State of Connecticut.

CELEBRATING THE ANNIVERSARY OF THE PEACE CORPS

HON. SAM FARR
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. FARR of California. Mr. Speaker, it has been many years since I joined the Peace Corps, and I rise today to celebrate the 40th anniversary of the Peace Corps.

It was started on March 1, 1961, when President Kennedy signed the legislation launching the Peace Corps—establishing a bold and hopeful experiment to all Volunteers to bring grassroots assistance to the people of developing nations to help them build a better life for themselves and their children.

Forty years later, the Peace Corps has succeeded beyond everyone’s expectations.

Today there are more than 122,000 returned volunteers in the United States, six of whom serve in the House of Representatives and two in the United States Senate. They have served in 134 different nations, making significant and lasting contributions from Armenia, Bangladesh to Uzbekistan and Zimbabwe.

There are more than 7,000 volunteers that are now living and working overseas. They are addressing critical development needs on a person-to-person basis: working with teachers and parents to teach English, math and science; helping spread and gain access to clean water; to grow more food; to help prevent the spread of AIDS; to help entrepreneurs start new businesses; to teach dentists to use contraceptives; and to work with non-governmental organizations to protect our environment. Above all, Volunteers leave behind skills that allow individuals and communities to take charge of their own futures.

In our increasing interconnected global community, Peace Corps volunteers also promote greater cross-cultural awareness, both in the countries in which they serve and when they return home. As they work shoulder to sholder with their host communities, Volunteers embody and share some of America’s most enduring values: freedom, opportunity, hope, progress. It is these bonds of friendship and understanding that they create and that can build the foundations for peace among nations.

And I can personally testify that the best service that is given to the Peace Corps is the continuation of service to our communities when we all come home. Today, because of the anniversary of the Peace Corps, thousands of returned volunteers are visiting schools and local communities throughout the United States, sharing the knowledge and insights gained from their experiences abroad and passing along the value of service to others.

As we have learned around the world, the best way to support a democracy is to help development at the local level. Meanwhile, America’s, young and old, single and married, would like to serve their country, humanity and democracy. The Peace Corps is one of the most effective mechanisms for uniting these two ideals. This is an asset we should not let go to waste.

On this 40th anniversary of the Peace Corps, please join me in honoring all Volunteers, past, present, and future, and in celebrating four decades of service to the world. The Peace Corps has served its country well, and we should all be proud.

HONORING RABBI ISRAEL ZOBERMAN
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 1, 2001

Mr. SCHROCK. Mr. Speaker, it is with great pleasure that I honor today Rabbi Israel Zoberman, spiritual leader of Congregation Beth Chaverim in Virginia Beach. He is also the President of the Hampton Roads Board of Rabbis, and Chairman of the Community Relations Committee of the United Jewish Federation of Tidewater. I submit the following article that was written by Rabbi Zoberman into the CONGRESSIONAL RECORD.

The evolving scenario in the State of Israel, ill-boding to its very security, erupted with the U.S. abiding by its promise to Israel which facilitates the arduous attempt to bring closer both sides. While asserting that the warring leaders have a stake in resolving their dispute, “violence will not stop altogether in my esti-mate,” with the grave danger of spreading.
Our group’s visit to Neve Shalom’s unique setting of Jews and Arabs, midway between Jerusalem and Tel Aviv, reminded us of the possibility and necessity for co-existence in a troubled Middle East. Witnessing the shared kindergarten in which the very young learn about each other’s traditions was a moving experience, particularly since I was raised in Israel of the 50’s and could not even imagine then this kind of joint endeavor which is still an exception. At this fateful juncture may both sides to the tragic historical conflict allow for an emerging new reality of shalom’s essential blessings of life, replacing violence with vision and pain with promise.
HIGHLIGHTS
See Résumé of Congressional Activity.
House Committee ordered reported the Economic Growth and Tax Relief Act of 2001.

Senate

Chamber Action
Routine Proceedings, pages S1723–1791

Measures Introduced: Thirty-two bills and three resolutions were introduced, as follows: S. 420–451, S.J. Res. 6, and S. Res. 40–41.

Measures Reported:
S. Res. 40, authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs.
S. 420, to amend title II, United States Code.

Measures Passed:
Smithsonian Institution Board of Regents Appointment: Senate passed H.J. Res. 19, providing for the appointment of Walter E. Massey as a citizen regent of the Board of Regents of the Smithsonian Institution.
Honoring National Institute of Standards and Technology: Senate agreed to H. Con. Res. 27, honoring the National Institute of Standards and Technology and its employees for 100 years of service to the Nation.

Bankruptcy Reform—Agreement: A unanimous-consent agreement was reached providing for consideration of S. 420, to amend title 11, United States Code, at 2 p.m., on Monday, March 5, 2001. Further, that all sponsors of S. 220 be considered as cosponsors on S. 420.

Appointments:

National Committee on Vital and Health Statistics: The Chair, on behalf of the President pro tempore, pursuant to Public Law 104–191, reappointed Dr. Richard K. Harding of South Carolina to the National Committee on Vital and Health Statistics for a four-year term.

Messages From the President: Senate received the following message from the President of the United States:
Transmitting, pursuant to law, a report entitled “Status of Federal Critical Infrastructure Protection Activities”; to the Committees on Appropriations; and Judiciary. (PM–9)

Nominations Confirmed: Senate confirmed the following nominations:
Sean O’Keefe, of New York, to be Deputy Director of the Office of Management and Budget. (Prior to this action, Senate discharged Committee on Governmental Affairs)
Mark A. Weinberger, of Maryland, to be an Assistant Secretary of the Treasury.

Messages From the House:
Executive Communications:
Petitions and Memorials:
Messages From the House:
Measures Referred:
Sttatementson Introduced Bills:
Additional Cosponsors:
Additional Statements:
NOTICES OF HEARINGS:

Page S1790

AUTHORITY FOR COMMITTEES:

Page S1790

PRIVILEGES OF THE FLOOR:

Page S1790

ADJOURNMENT:

Senate met at 10:01 a.m., and adjourned at 5:20 p.m., on Monday, March 5, 2001. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on page S1791.)

COMMITTEE MEETINGS

(Committees not listed did not meet)

FARM BILL CONSERVATION PROGRAMS

Committee on Agriculture, Nutrition, and Forestry: Committee concluded hearings to examine statutes of conservation programs in the current farm bill, including Conservation Reserve Program, Emergency Conservation Program, Pasture Recovery Program, and Debt for Nature, after receiving testimony from Nathan L. Rudgers, New York Department of Agriculture and Markets, Albany, on behalf of the National Association of State Departments of Agriculture; Craig Cox, Soil and Water Conservation Society, Ankeny, Iowa; John Hassell, Conservation Technology Information Center, West Lafayette, Indiana; Bob Stallman, Columbus, Texas, on behalf of the American Farm Bureau Federation; Dan Specht, McGregor, Iowa, on behalf of the Sustainable Agriculture Coalition; and Tom Buis, National Farmers Union, Rollin D. Sparrow, Wildlife Management Institute, Gerald Cohn, American Farmland Trust, David Stawick, Alliance for Agricultural Conservation, and Paul Faeth, World Resources Institute, all of Washington, D.C.

BUSINESS MEETING

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported the following business items:

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, with an amendment in the nature of a substitute; and


Also, committee adopted its rules of procedure for the 107th Congress, and announced the following subcommittee assignments:

Subcommittee on Securities and Investments: Senators Enzi (Chairman), Shelby, Crapo, Bennett, Allard, Hagel, Santorum, Bunning, Dodd (Ranking Member), Johnson, Reed, Schumer, Bayh, Corzine, Carter, and Stabenow.

Subcommittee on Financial Institutions: Senators Bennett (Chairman), Ensign, Shelby, Allard, Santorum, Bunning, Crapo, Johnson (Ranking Member), Miller, Carper, Stabenow, Dodd, Reed, and Bayh.

Subcommittee on International Trade and Finance: Senators Hagel (Chairman), Enzi, Crapo, Bayh (Ranking Member), Miller, and Johnson.

Subcommittee on Housing and Transportation: Senators Allard (Chairman), Santorum, Ensign, Shelby, Enzi, Hagel, Reed (Ranking Member), Carper, Stabenow, Corzine, Dodd, and Schumer.

Subcommittee on Economic Policy: Senators Bunning (Chairman), Bennett, Ensign, Schumer (Ranking Member), Miller, and Corzine.

PRESIDENT’S BUDGET PROPOSAL

Committee on the Budget: Committee held hearings to examine the President’s proposed budget request for fiscal year 2002, receiving testimony form Paul H. O’Neill, Secretary of the Treasury.

Hearings continue tomorrow.

TRANSITION TO DIGITAL TELEVISION

Committee on Commerce, Science, and Transportation: Committee concluded hearings to examine issues related to the broadcast industry’s transition to digital television, including digital rollout by the cable industry, cable industry upgrades, cable’s new digital and high definition programming, digital must carry and retransmission consent, compatibility issues, and digital television set sales, after receiving testimony from Jeff Sagansky, Paxson Communications Corporation, West Palm Beach, Florida; Ben Tucker, Fisher Broadcasting, Inc., Seattle, Washington, on behalf of the National Association of Broadcasters; Michael Willner, Insight Communications, New York, New York; and Mark Cooper, Competitive Enterprise Institute, Joseph S. Kraemer, LECG, and Thomas W. Hazlett, American Enterprise Institute, all of Washington, D.C.

ANTI-DRUG CERTIFICATION

Committee on Foreign Relations: Committee concluded hearings to examine proposed legislation to reform the anti-drug certification process, after receiving testimony from Senators Grassley and Hutchison; Representatives Gilman and Reyes; R. Rand Beers,
Assistant Secretary of State for International Narcotics and Law Enforcement Affairs; and Bernard W. Aronson, ACON Investments, Washington, D.C., former Assistant Secretary of State for Inter-American Affairs.

U.S./IRAQ POLICY

Committee on Foreign Relations: Subcommittee on Near Eastern and South Asian Affairs held hearings to examine United States policy towards Iraq, receiving testimony from former Senator Bob Kerrey; Richard N. Perle, American Enterprise Institute, former Assistant Secretary of Defense for International Security, Morton H. Halperin, Council on Foreign Relations, and Anthony H. Cordesman, Center for Strategic and International Studies, all of Washington, D.C.

Hearings recessed subject to call.

INTERNATIONAL MONEY LAUNDERING

Committee on Governmental Affairs: Permanent Subcommittee on Investigations held hearings to examine the role of United States correspondent banking and offshore banks as vehicles for international money laundering, and the efforts of financial entities, federal regulators, and law enforcement to limit money laundering activities within the United States, receiving testimony from James C. Christie, Bank of America, Oakland, California; David A. Weisbrod, Chase Manhattan Bank, New York, New York; and John M. Mathewson.

Hearings continue tomorrow.

House of Representatives

Chamber Action

Bills Introduced: 51 public bills, H.R. 708, 808–857; 3 private bills, H.R. 855–857; and 5 resolutions, H.J. Res. 24–26; H. Con. Res. 46, and H. Res. 75, were introduced.

Pages H621–23

Reports Filed: No reports were filed today.

Pages H509

Guest Chaplain: The prayer was offered by the Guest Chaplain, Rabbi Lance Sussman, Temple Concord, Binghamton, New York.

Pages H517

Permanent Select Committee on Intelligence Appointments: The Chair announced the Speaker’s appointment of the following members to the Permanent Select Committee on Intelligence: Mr. Bishop of Georgia, Ms. Harman of California, Mr. Sisisky of Virginia, Mr. Condit of California, Mr. Roemer of Indiana, Mr. Hastings of Florida, and Mr. Reyes of Texas.

Pages H517


Pages H517–H601

Rejected the Conyers motion that sought to recommit the bill to the Committee on the Judiciary with instructions to report it back to the House with an amendment that prohibits the issuance of credit cards to anyone under 21 years of age unless the individual demonstrates an independent means of income or a parent acts as a co-signer by a recorded vote of 165 ayes to 253 noes, Roll No. 24.

Pages H599–H600

Agreed to:

Sensenbrenner amendment No. 1 printed in H. Rept. 107–4 that makes technical and conforming changes;

Pages H575–77, H599

Jackson-Lee amendment No. 2 printed in H. Rept. 107–4 that allows a debtor to deduct public school expenses as an allowable expense under the means test and treats public and private school expenses equally;

Pages H577–78

Green of Wisconsin amendment No. 3 printed in H. Rept. 107–4 that prevents the names of children from being disclosed in bankruptcy filings; and

Pages H578–79

Oxley amendment No. 4 printed in H. Rept. 107–4 that reflects changes made by passage of the Commodity Futures Modernization Act and updates definitions to reflect current and developing market practices.

Pages H579–88

Rejected:

The Jackson-Lee amendment No. 6 printed in H. Rept. 107–4 that sought to make various technical changes and modify the means test to allow additional expenses including health insurance premiums, other medical expenses, and the cost relating to the care of foster children. It also extends the deadline for filing and confirmation of reorganization plans by small businesses (rejected by a recorded vote of 160 ayes to 258 noes, Roll No. 23).

Pages H588–98
The Clerk was authorized to make necessary technical and conforming corrections in the engrossment of the bill.

Earlier, the House agreed to H. Res. 71, the rule that provided for consideration of the bill by a yea and nay vote of 281 yeas to 132 nays, Roll No. 22. Pursuant to the rule the amendments recommended by the Committee on the Judiciary now printed in the bill (H. Rept. 107–3 Part 1) were considered as adopted.

Presidential Message—Infrastructure Protection: Read a message from the President wherein he transmitted the report on steps taken by the Federal Government to develop critical infrastructure assurance strategies as outlined by Presidential Decision Directive No. 63 (PDD–63)—referred to the Committee on Government Reform.

Meeting Hour—Monday, March 5: Agreed that when the House adjourns today, it adjourn to meet on Monday, March 5 at 2 p.m.

Meeting Hour—Tuesday, March 6: Agreed that when the House adjourns on Monday, March 5, it adjourn to meet at 12:30 p.m. on Tuesday, March 6.

Calendar Wednesday—Wednesday, March 7: Agreed to dispense with the business in order under the Calendar Wednesday rule on Wednesday March 7.

Senate Messages: Messages received from the Senate appear on page S509.

Referral: S. Con. Res. 18 was referred to the committee on International Relations.

Quorum Calls—Votes: Two yea-and-nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H516–17, H598, H600, and H600–01. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 4:37 p.m.

Committee Meetings

PRESIDENT’S BUDGET; TREASURY BUDGET PRIORITIES

Committee on the Budget: Held a hearing on the President’s Budget for fiscal year 2002. Testimony was heard from Mitchell E. Daniels, Jr., Director, OMB. The Committee also held a hearing on the Department of the Treasury Budget Priorities for fiscal year 2002. Testimony was heard from Paul H. O’Neill, Secretary of the Treasury.

EDUCATION REFORM—STATE LEADERSHIP

Committee on Education and the Workforce: Held a hearing on State Leadership in Education Reform. Testimony was heard from Senator Carper; Tom Ridge, Governor, State of Pennsylvania; and Nancy S. Grasmick, Superintendent of Schools, Department of Education, State of Maryland.

PRIVACY IN THE COMMERCIAL WORLD

Committee on Energy and Commerce: Subcommittee on Commerce, Trade and Consumer Protection held a hearing on Privacy in the Commercial World, focusing on basic privacy questions. Testimony was heard from public witnesses.

PATIENTS FIRST

Committee on Energy and Commerce: Subcommittee on Health and the Subcommittee on Oversight and Investigations held a joint hearing on Patients First: A 21st Century Promise to Ensure Quality and Affordable Health Coverage, focusing on improving patients’ access to new technologies in the Medicare program. Testimony was heard from the following officials of the Health Care Financing Administration, Department of Health and Human Services: Jeffrey Kang, Director, Office of Clinical Standards and Quality; and Mark Miller, Acting Director, Center for Health Plans and Providers; Murray N. Ross, Executive Director, Medicare Payment Advisory Commission; and public witnesses.

MARC RICH—CONTROVERSIAL PARDON

Committee on Government Reform: Continued hearings on “The Controversial Pardon of International Fugitive Marc Rich—Day Two.” Testimony was heard from the following former members of the White House staff: Jack Quinn, Counsel; Beth Nolan, Counsel; Bruce Lindsey, Assistant to the President and Deputy Counsel to the President; and John Podesta, Chief of Staff; and public witnesses.

In refusing to testify, Beth Dozoretz, former Finance Chair, Democratic National Committee, invoked the Fifth Amendment.

MARC RICH—CONTROVERSIAL PARDON

Committee on Government Reform: Continued hearings on “The Controversial Pardon of International Fugitive Marc Rich—Day Two.” Testimony was heard from the following former members of the White House staff: Jack Quinn, Counsel; Beth Nolan, Counsel; Bruce Lindsey, Assistant to the President and Deputy Counsel to the President; and John Podesta, Chief of Staff; and public witnesses.

In refusing to testify, Beth Dozoretz, former Finance Chair, Democratic National Committee, invoked the Fifth Amendment.

COMMITTEE FUNDING

Committee on House Administration: Met to consider funding requests for the following Committees: House Administration; Agriculture; Resources; Science; Permanent Select Intelligence; Standards of Official Conduct; Financial Services; Transportation and Infrastructure; and Education and the Workforce.

Will continue March 7.
CONDUCTING DIPLOMACY IN A GLOBAL AGE

Committee on International Relations: Held a hearing on Conducting Diplomacy in a Global Age. Testimony was heard from the following officials of the Department of State: Marc Grossman, Director General, Foreign Service and Director, Human Resources; Marshall Adair, President, American Foreign Service Association; and Gary R. Galloway, Vice President, AFGE.

EARTHQUAKE IN INDIA

Committee on International Relations: Subcommittee on the Middle East and South Asia held a hearing on the Earthquake in India: the American Response. Testimony was heard from the following officials of the Department of State: Richard F. Celeste, Ambassador to India; Alan W. Eastham, Acting Assistant Secretary, South Asian Affairs; Walter North, Mission Director to India and Leonard M. Rogers, Acting Administrator, Humanitarian Response, both with AID; and public witnesses.

COAST GUARD BRIEFING; COMMITTEE ORGANIZATION

Committee on Transportation and Infrastructure: Subcommittee on Coast Guard and Maritime Transportation received a briefing on Coast Guard expenditures. The Subcommittee was briefed by Capt. Robert J. Papp, Jr., USCG, Chief, Office of Congressional Affairs, U.S. Coast Guard, Department of Transportation.

Prior to the briefing, the Subcommittee for organizational purposes.

ECONOMIC GROWTH AND TAX RELIEF ACT


COMMITTEE BUSINESS

Permanent Select Committee on Intelligence: Met in executive session to consider pending business.

Joint Meetings

VETERANS PROGRAMS

Joint Hearing: Senate Committee on Veterans’ Affairs concluded joint hearings with the House Committee on Veterans’ Affairs to review the legislative recommendations of certain veterans organizations, after receiving testimony from Vincent B. Niski, Retired Enlisted Association, Rachel Clinkscale, Gold Star Wives, Charles L. Calkins, Fleet Reserve Association, and James D. Staton, Air Force Sergeants Association, all of Washington, D.C.

COMMITTEE MEETINGS FOR FRIDAY, MARCH 2, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on the Budget: to continue hearings to examine the President’s proposed budget request for fiscal year 2002, 10 a.m., SD–608.

Committee on Governmental Affairs: Permanent Subcommittee on Investigations, to continue hearings to examine the role of United States correspondent banking and offshore banks as vehicles for international money laundering, and the efforts of financial entities, federal regulators, and law enforcement to limit money laundering activities within the United States, 9:30 a.m., SD–106.

House

Committee on the Budget, hearing on Current Fiscal Issues, 10 a.m., 210 Cannon.

Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, hearing on “The Status of Plan Columbia,” 9:30 a.m., 2247 Rayburn.


CONGRESSIONAL PROGRAM AHEAD

Week of March 5 through March 10, 2001

Senate Chamber

On Monday, Senate will begin consideration of S. 420, Bankruptcy Reform.

During the remainder of the week, Senate may consider any cleared legislative and executive business.

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Agriculture, Nutrition, and Forestry: March 6, to hold hearings to examine nutritional issues surrounding school lunch programs, 9 a.m., SH–216.

Committee on Armed Services: March 6, to hold closed hearings to examine the issues surrounding worldwide threats, 2:30 p.m., S–407, Capitol.

Committee on the Budget: March 6, to hold hearings to examine certain revenue proposals within the President’s proposed budget request for fiscal year 2002, 10 a.m., SD–608.

Committee on Commerce, Science, and Transportation: March 6, Subcommittee on Consumer Affairs, Foreign Commerce, and Tourism, to hold hearings to examine the effectiveness of gun locks, 10 a.m., SR–253.

March 7, Full Committee, to hold hearings to examine voting technology reform, 9:30 a.m., SR–253.
Committee on Environment and Public Works: March 8, business meeting to markup S. 350, to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, 9:30 a.m., SD–406.

Committee on Finance: March 7, to hold hearings to examine tax relief for tax payers, 10 a.m., SD–215.

Committee on Foreign Relations: March 6, Subcommittee on East Asian and Pacific Affairs, to hold hearings to examine the present political status of the Philippines and its role in the new Asia, 2 p.m., SD–419.

March 8, Full Committee, to hold hearings to examine foreign policy issues and the President’s proposed budget request for fiscal year 2002 for the Department of State, 10:30 a.m., SD–419.

Committee on Governmental Affairs: March 6, Permanent Subcommittee on Investigations, to resume hearings to examine the role of United States correspondent banking and offshore banks as vehicles for international money laundering, and the efforts of financial entities, federal regulators, and law enforcement to limit money laundering activities within the United States, 9:30 a.m., SD–342.

Committee on Health, Education, Labor, and Pensions: March 7, to hold hearings to examine proposed legislation entitled Better Education For Students and Teachers Act, 9:30 a.m., SD–430.

Select Committee on Intelligence: March 7, to hold closed hearings on intelligence matters, 2 p.m., SH219.

Committee on Veterans’ Affairs: March 8, to hold joint hearings with the House Committee on Veterans’ Affairs to examine the legislative recommendations of the Paralyzed Veterans of America, Jewish War Veterans, Blinded Veterans Association, the Non-Commissioned Officers Association, and the Military Order of the Purple Heart, 9:30 a.m., 345 Cannon Building.

House Chamber

To be announced.

House Committees

Committee on Agriculture, March 7 and 8, to continue hearings to review the federal farm commodity programs with the Coalition for a Competitive Food and Agriculture System, on March 7 and with the barley growers on March 8, 10 a.m., 1300 Longworth.

March 7, hearing to review the Farm Credit Administration’s proposed rule providing for the issuance of national charters for the Farm Credit System, 2 p.m., 1300 Longworth.

Committee on Appropriations, March 8, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, on FDA, 9:30 a.m., 2362 Rayburn.

March 8, Subcommittee on Defense, executive, on U.S. Pacific Command and U.S. Forces, Korea, 9:30 a.m., and executive, on U.S. Central Command, 1:30 p.m., H–140 Capitol.

March 8, Subcommittee on Interior, on National Parks Services (Natural Resources Initiative), 10 a.m., B–308 Rayburn.

March 8, Subcommittee on Military Construction, on Quality of Life in the Military, 9:30 a.m., B–300 Rayburn.

March 8, Subcommittee on Transportation, on Inspector General, Department of Transportation, 10 a.m., 2358 Rayburn.

Committee on the Budget, March 7, hearing on Department of Health and Human Services Budget Priorities Fiscal Year 2002, 10 a.m., and 1:30 p.m., 210 Cannon.

March 8, on Members Day, 1 p.m., 210 Cannon.

Committee on Education and the Workforce, March 7, hearing on “Leave No Child Behind,” 10:30 a.m., 2175 Rayburn.

March 8, Subcommittee on Education Reform, hearing on “Measuring Success: Using Assessments and Accountability to Raise Student Achievement,” 10:30 a.m., 2175 Rayburn.

Committee on Energy and Commerce, March 6, Subcommittee on Energy and Air Quality, hearing entitled “Congressional Perspectives on Electricity Markets in California and the West and National Energy Policy,” 1 p.m., 2123 Rayburn.


March 8, Subcommittee on Telecommunications and the Internet, hearing entitled “Technology and Education: A Review of Federal, State and Private Sector Programs,” 10 a.m., 2322 Rayburn.

Committee on Financial Services, March 6, Subcommittee on Oversight and Investigations and the Subcommittee on Financial Institutions and Consumer Credit, joint hearing entitled “Protecting Consumers: What can Congress do to help financial regulators coordinate efforts to fight fraud?” 2 p.m., 2128 Rayburn.


Committee on Government Reform, March 7, Subcommittee on National Security, Veterans Affairs, and International Relations, hearing on “Vulnerabilities to Waste, Fraud, and Abuse: GAO Views on National Defense and International Relations Programs,” 10 a.m., 2154 Rayburn.

Committee on House Administration, March 7, to continue consideration of Committee funding requests, 10 a.m., 1310 Longworth.

Committee on International Relations, March 7, hearing on Reinvigorating U.S. Foreign Policy, 2 p.m., 2172 Rayburn.

Committee on Resources, March 7, oversight hearing on the Role of Public Lands in the Development of a Self-Reliant Energy Policy, 10 a.m., 1324 Longworth.

March 8, Subcommittee on Forests and Forest Health, hearing on the National Fire Plan Implementation, 10 a.m., 1324 Longworth.

March 8, Subcommittee on National Parks, Recreation and Public Lands, hearing on the following bills: H.R. 107, to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting the Cold War; H.R. 400, to authorize the Secretary of the Interior to establish the Ronald Reagan Boyhood Home National Historic Site; and H.R. 452, Ronald Reagan Memorial Act of 2001, 10 a.m., 1334 Longworth.

Committee on Science, March 7, hearing on K–12th Grade Math and Science Education: the View from the Blackboard, 2 p.m., 2318 Rayburn.

Committee on Ways and Means, March 7, hearing on the Administration’s Trade Agenda, 11 a.m., 1100 Longworth.

Joint Meetings:

Joint Meetings: March 8, Senate Committee on Veterans’ Affairs, to hold joint hearings with the House Committee on Veterans’ Affairs to examine the legislative recommendations of the Paralyzed Veterans of America, Jewish War Veterans, Blinded Veterans Association, the Non-Commissioned Officers Association, and the Military Order of the Purple Heart, 9:30 a.m., 345 Cannon Building.
Résumé of Congressional Activity

FIRST SESSION OF THE ONE HUNDRED SEVENTH CONGRESS

The first table gives a comprehensive résumé of all legislative business transacted by the Senate and House. The second table accounts for all nominations submitted to the Senate by the President for Senate confirmation.

### DATA ON LEGISLATIVE ACTIVITY
January 3 through February 28, 2001

<table>
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<tr>
<th></th>
<th>Senate</th>
<th>House</th>
<th>Total</th>
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</thead>
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<tr>
<td>Days in session</td>
<td>25</td>
<td>14</td>
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<tr>
<td>Time in session</td>
<td>121 hrs., 40'</td>
<td>46 hrs., 16'</td>
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<td>Congressional Record:</td>
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<td>Pages of proceedings</td>
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<td>508</td>
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<td>Extensions of Remarks</td>
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<td>254</td>
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<td>Public bills enacted into law</td>
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<td>1</td>
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<tr>
<td>Private bills enacted into law</td>
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<tr>
<td>Bills in conference</td>
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<td>Measures passed, total</td>
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<td>51</td>
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<tr>
<td>House bills</td>
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<tr>
<td>Senate joint resolutions</td>
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<tr>
<td>House joint resolutions</td>
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<td>Senate concurrent resolutions</td>
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<td>2</td>
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<td>House concurrent resolutions</td>
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<td>Simple resolutions</td>
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<td>*Measures reported, total</td>
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<td>Senate joint resolutions</td>
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<td>House joint resolutions</td>
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<tr>
<td>Simple resolutions</td>
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<td>2</td>
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<td>Special reports</td>
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<tr>
<td>Conference reports</td>
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<td>Measures pending on calendar</td>
<td>9</td>
<td>2</td>
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<tr>
<td>Measures introduced, total</td>
<td>473</td>
<td>949</td>
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<tr>
<td>Bills</td>
<td>410</td>
<td>807</td>
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<tr>
<td>Joint resolutions</td>
<td>5</td>
<td>23</td>
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<td>Concurrent resolutions</td>
<td>19</td>
<td>45</td>
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<td>Simple resolutions</td>
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<td>Quorum calls</td>
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<td>Yea-and-nay votes</td>
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<td>19</td>
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<tr>
<td>Recorded votes</td>
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<tr>
<td>Bills vetoed</td>
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<tr>
<td>Vetoes overridden</td>
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</table>

### DISPOSITION OF EXECUTIVE NOMINATIONS
January 3 through February 28, 2001

<table>
<thead>
<tr>
<th></th>
<th>Civilian nominations, totaling 87, disposed of as follows:</th>
<th>Other Civilian nominations, totaling 415, disposed of as follows:</th>
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<tbody>
<tr>
<td></td>
<td>Confirmed ........................................................................</td>
<td>Confirmed ........................................................................</td>
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<tr>
<td></td>
<td>Unconfirmed ........................................................................</td>
<td>Unconfirmed ........................................................................</td>
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<tr>
<td>Air Force nominations, totaling 4,320, disposed of as follows:</td>
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<td>Confirmed ........................................................................</td>
<td>Confirmed ........................................................................</td>
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<td></td>
<td>Unconfirmed ........................................................................</td>
<td>Unconfirmed ........................................................................</td>
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<tr>
<td>Army nominations, totaling 1,962, disposed of as follows:</td>
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<tr>
<td></td>
<td>Confirmed ........................................................................</td>
<td>Confirmed ........................................................................</td>
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<td></td>
<td>Unconfirmed ........................................................................</td>
<td>Unconfirmed ........................................................................</td>
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<tr>
<td>Navy nominations, totaling 87, disposed of as follows:</td>
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<tr>
<td></td>
<td>Confirmed ........................................................................</td>
<td>Confirmed ........................................................................</td>
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<tr>
<td></td>
<td>Unconfirmed ........................................................................</td>
<td>Unconfirmed ........................................................................</td>
</tr>
<tr>
<td>Marine Corps nominations, totaling 1,036, disposed of as follows:</td>
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<td></td>
<td>Confirmed ........................................................................</td>
<td>Confirmed ........................................................................</td>
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<tr>
<td></td>
<td>Unconfirmed ........................................................................</td>
<td>Unconfirmed ........................................................................</td>
</tr>
</tbody>
</table>

Summary

- **Total Nominations received this session**: 7,907
- **Total Confirmed**: 2,973
- **Total Unconfirmed**: 4,934
Next Meeting of the SENATE
2 p.m., Monday, March 5

Senate Chamber
Program for Monday: Senate will consider S. 420, Bankruptcy Reform.

Next Meeting of the HOUSE OF REPRESENTATIVES
2 p.m., Monday, March 5

House Chamber
Program for Monday: Pro forma session.

Extensions of Remarks, as inserted in this issue

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Congressional Record

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Also, committee adopted its rules of procedure for the 107th Congress, and announced the following subcommittee assignments:

Subcommittee on Securities and Investments: Senators Enzi (Chairman), Shelby, Crapo, Bennett, Allard, Hagel, Santorum, Bunning, Dodd (Ranking Member), Johnson, Reed, Schumer, Bayh, Corzine, Carper, and Stabenow.

Subcommittee on Financial Institutions: Senators Bennett (Chairman), Ensign, Shelby, Allard, Santorum, Bunning, Crapo, Johnson (Ranking Member), Miller, Carper, Stabenow, Dodd, Reed, and Bayh.

Subcommittee on International Trade and Finance: Senators Hagel (Chairman), Enzi, Crapo, Bayh (Ranking Member), Miller, and Johnson.

Subcommittee on Economic Policy: Senators Bunning (Chairman), Bennett, Ensign, Schumer (Ranking Member), Miller, and Corzine.

**PRESIDENT’S BUDGET PROPOSAL**

Committee on the Budget: Committee held hearings to examine the President’s proposed budget request for fiscal year 2002, receiving testimony from Paul H. O’Neill, Secretary of the Treasury.

Hearings continue tomorrow.

**TRANSITION TO DIGITAL TELEVISION**

Committee on Commerce, Science, and Transportation: Committee concluded hearings to examine issues related to the broadcast industry’s transition to digital television, including digital rollout by the cable industry, cable industry upgrades, cable’s new digital and high definition programming, digital must carry and retransmission consent, compatibility issues, and digital television set sales, after receiving testimony from Jeff Sagansky, Paxson Communications Corporation, West Palm Beach, Florida; Ben Tucker, Fisher Broadcasting, Inc., Seattle, Washington, on behalf of the National Association of Broadcasters; Michael Willner, Insight Communications, New York, New York; and Mark Cooper, Consumer Federation of America, James Gattuso, Competitive Enterprise Institute, Joseph S. Kraemer, LECG, and Thomas W. Hazlett, American Enterprise Institute, all of Washington, D.C.

**ANTI-DRUG CERTIFICATION**

Committee on Foreign Relations: Committee concluded hearings to examine proposed legislation to reform the anti-drug certification process, after receiving testimony from Senators Grassley and Hutchison; Representatives Gilman and Reyes; R. Rand Beers,
Assistant Secretary of State for International Narcotics and Law Enforcement Affairs; and Bernard W. Aronson, ACON Investments, Washington, D.C., former Assistant Secretary of State for Inter-American Affairs.

**U.S./IRAQ POLICY**

**Committee on Foreign Relations:** Subcommittee on Near Eastern and South Asian Affairs held hearings to examine United States policy towards Iraq, receiving testimony from former Senator Bob Kerrey; Richard N. Perle, American Enterprise Institute, former Assistant Secretary of Defense for International Security, Morton H. Halperin, Council on Foreign Relations, and Anthony H. Cordesman, Center for Strategic and International Studies, all of Washington, D.C.

Hearings recessed subject to call.

**INTERNATIONAL MONEY LAUNDERING**

**Committee on Governmental Affairs:** Permanent Subcommittee on Investigations held hearings to examine the role of United States correspondent banking and offshore banks as vehicles for international money laundering, and the efforts of financial entities, federal regulators, and law enforcement to limit money laundering activities within the United States, receiving testimony from James C. Christie, Bank of America, Oakland, California; David A. Weisbrod, Chase Manhattan Bank, New York, New York; and John M. Mathewson.

Hearings continue tomorrow.

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**House of Representatives**

**Chamber Action**

**Bills Introduced:** 51 public bills, H.R. 708, 808–857; 3 private bills, H.R. 855–857; and 5 resolutions, H.J. Res. 24–26; H. Con. Res. 46, and H. Res. 75, were introduced. Pages H621–H623

**Reports Filed:** No reports were filed today.

**Guest Chaplain:** The prayer was offered by the Guest Chaplain, Rabbi Lance Sussman, Temple Concord, Binghamton, New York. Page H509

**Permanent Select Committee on Intelligence Appointments:** The Chair announced the Speaker’s appointment of the following members to the Permanent Select Committee on Intelligence: Mr. Bishop of Georgia, Ms. Harman of California, Mr. Sisisky of Virginia, Mr. Condit of California, Mr. Roemer of Indiana, Mr. Hastings of Florida, and Mr. Reyes of Texas. Page H517

**Bankruptcy Abuse Prevention and Consumer Protection Act:** The House passed H.R. 333, providing for consideration of H.R. 333, to amend title 11, United States Code, by a yea and nay vote of 306 yeas to 108 nays, Roll No. 25. Pages H517–H601

Rejected the Conyers motion that sought to recommit the bill to the Committee on the Judiciary with instructions to report it back to the House with an amendment that prohibits the issuance of credit cards to anyone under 21 years of age unless the individual demonstrates an independent means of income or a parent acts as a co-signer by a recorded vote of 165 ayes to 253 noes, Roll No. 24. Pages H599–H600

Agreed to:

Sensenbrenner amendment No. 1 printed in H. Rept. 107–4 that makes technical and conforming changes; Pages H575–H577, H599

Jackson-Lee amendment No. 2 printed in H. Rept. 107–4 that allows a debtor to deduct public school expenses as an allowable expense under the means test and treats public and private school expenses equally; Pages H577–H578

Green of Wisconsin amendment No. 3 printed in H. Rept. 107–4 that prevents the names of children from being disclosed in bankruptcy filings; and Pages H578–H579

Oxley amendment No. 4 printed in H. Rept. 107–4 that reflects changes made by passage of the Commodity Futures Modernization Act and updates definitions to reflect current and developing market practices. Pages H579–H588

Rejected:

The Jackson-Lee amendment No. 6 printed in H. Rept. 107–4 that sought to make various technical changes and modify the means test to allow additional expenses including health insurance premiums, other medical expenses, and the cost relating to the care of foster children. It also extends the deadline for filing and confirmation of reorganization plans by small businesses (rejected by a recorded vote of 160 ayes to 258 noes, Roll No. 23). Pages H588–H589
The Clerk was authorized to make necessary technical and conforming corrections in the engrossment of the bill.

Earlier, the House agreed to H. Res. 71, the rule that provided for consideration of the bill by a yea and nay vote of 281 yaos to 132 nays, Roll No. 22. Pursuant to the rule the amendments recommended by the Committee on the Judiciary now printed in the bill (H. Rept. 107–3 Part 1) were considered as adopted.

Presidential Message—Infrastructure Protection: Read a message from the President wherein he transmitted the report on steps taken by the Federal Government to develop critical infrastructure assurance strategies as outlined by Presidential Decision Directive No. 63 (PDD–63)—referred to the Committee on Government Reform.

Meeting Hour—Monday, March 5: Agreed that when the House adjourns today, it adjourn to meet on Monday, March 5 at 2 p.m.

Meeting Hour—Tuesday, March 6: Agreed that when the House adjourns on Monday, March 5, it adjourn to meet at 12:30 p.m. on Tuesday, March 6.

Calendar Wednesday—Wednesday, March 7: Agreed to dispense with the business in order under the Calendar Wednesday rule on Wednesday March 7.

Senate Messages: Messages received from the Senate appear on page S509.

Referral: S. Con. Res. 18 was referred to the committee on International Relations.

Quorum Calls—Votes: Two yea-and-nay votes and two recorded votes developed during the proceedings of the House today and appear on pages H516–17, H598, H600, and H600–01. There were no quorum calls.

Adjournment: The House met at 10 a.m. and adjourned at 4:37 p.m.

Committee Meetings

PRESIDENT’S BUDGET; TREASURY BUDGET PRIORITIES

Committee on the Budget: Held a hearing on the President’s Budget for fiscal year 2002. Testimony was heard from Mitchell E. Daniels, Jr., Director, OMB.

The Committee also held a hearing on the Department of the Treasury Budget Priorities for fiscal year 2002. Testimony was heard from Paul H. O’Neill, Secretary of the Treasury.

EDUCATION REFORM—STATE LEADERSHIP

Committee on Education and the Workforce: Held a hearing on State Leadership in Education Reform. Testimony was heard from Senator Carper; Tom Ridge, Governor, State of Pennsylvania; and Nancy S. Grasmick, Superintendent of Schools, Department of Education, State of Maryland.

PRIVACY IN THE COMMERCIAL WORLD

Committee on Energy and Commerce: Subcommittee on Commerce, Trade and Consumer Protection held a hearing on Privacy in the Commercial World, focusing on basic privacy questions. Testimony was heard from public witnesses.

PATIENTS FIRST

Committee on Energy and Commerce: Subcommittee on Health and the Subcommittee on Oversight and Investigations held a joint hearing on Patients First: A 21st Century Promise to Ensure Quality and Affordable Health Coverage, focusing on improving patients’ access to new technologies in the Medicare program. Testimony was heard from the following officials of the Health Care Financing Administration, Department of Health and Human Services: Jeffrey Kang, Director, Office of Clinical Standards and Quality; and Mark Miller, Acting Director, Center for Health Plans and Providers; Murray N. Ross, Executive Director, Medicare Payment Advisory Commission; and public witnesses.

MARC RICH—CONTROVERSIAL PARDON

Committee on Government Reform: Continued hearings on “The Controversial Pardon of International Fugitive Marc Rich—Day Two.” Testimony was heard from the following former members of the White House staff: Jack Quinn, Counsel; Beth Nolan, Counsel; Bruce Lindsey, Assistant to the President and Deputy Counsel to the President; and John Podesta, Chief of Staff; and public witnesses.

In refusing to testify, Beth Dozoretz, former Finance Chair, Democratic National Committee, invoked the Fifth Amendment.

COMMITTEE FUNDING

Committee on House Administration: Met to consider funding requests for the following Committees: House Administration; Agriculture; Resources; Science; Permanent Select Intelligence; Standards of Official Conduct; Financial Services; Transportation and Infrastructure; and Education and the Workforce.

Will continue March 7.
CONDUCTING DIPLOMACY IN A GLOBAL AGE

Committee on International Relations: Held a hearing on Conducting Diplomacy in a Global Age. Testimony was heard from the following officials of the Department of State: Marc Grossman, Director General, Foreign Service and Director, Human Resources; Marshall Adair, President, American Foreign Service Association; and Gary R. Galloway, Vice President, AFGE.

EARTHQUAKE IN INDIA

Committee on International Relations: Subcommittee on the Middle East and South Asia held a hearing on the Earthquake in India: the American Response. Testimony was heard from the following officials of the Department of State: Richard F. Celeste, Ambassador to India; Alan W. Eastham, Acting Assistant Secretary, South Asian Affairs; Walter North, Mission Director to India and Leonard M. Rogers, Acting Administrator, Humanitarian Response, both with AID; and public witnesses.

COAST GUARD BRIEFING; COMMITTEE ORGANIZATION

Committee on Transportation and Infrastructure: Subcommittee on Coast Guard and Maritime Transportation received a briefing on Coast Guard expenditures. The Subcommittee was briefed by Capt. Robert J. Papp, Jr., USCG, Chief, Office of Congressional Affairs, U.S. Coast Guard, Department of Transportation.

Prior to the briefing, the Subcommittee for organizational purposes.

ECONOMIC GROWTH AND TAX RELIEF ACT


COMMITTEE BUSINESS

Permanent Select Committee on Intelligence: Met in executive session to consider pending business.

Joint Meetings

VETERANS PROGRAMS

Joint Hearing: Senate Committee on Veterans’ Affairs concluded joint hearings with the House Committee on Veterans’ Affairs to review the legislative recommendations of certain veterans organizations, after receiving testimony from Vincent B. Niski, Retired Enlisted Association, Rachel Clinkscale, Gold Star Wives, Charles L. Calkins, Fleet Reserve Association, and James D. Staton, Air Force Sergeants Association, all of Washington, D.C.

COMMITTEE MEETINGS FOR FRIDAY, MARCH 2, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on the Budget: to continue hearings to examine the President’s proposed budget request for fiscal year 2002, 10 a.m., SD–608.

Committee on Governmental Affairs: Permanent Subcommittee on Investigations, to continue hearings to examine the role of United States correspondent banking and offshore banks as vehicles for international money laundering, and the efforts of financial entities, federal regulators, and law enforcement to limit money laundering activities within the United States, 9:30 a.m., SD–106.

House

Committee on the Budget, hearing on Current Fiscal Issues, 10 a.m., 210 Cannon.

Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, hearing on “The Status of Plan Columbia,” 9:30 a.m., 2247 Rayburn.


CONGRESSIONAL PROGRAM AHEAD

Week of March 5 through March 10, 2001

Senate Chamber

On Monday, Senate will begin consideration of S. 420, Bankruptcy Reform.

During the remainder of the week, Senate may consider any cleared legislative and executive business.

 Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Agriculture, Nutrition, and Forestry: March 6, to hold hearings to examine nutritional issues surrounding school lunch programs, 9 a.m., SH–216.

Committee on Armed Services: March 6, to hold closed hearings to examine the issues surrounding worldwide threats, 2:30 p.m., S–407, Capitol.

Committee on the Budget: March 6, to hold hearings to examine certain revenue proposals within the President’s proposed budget request for fiscal year 2002, 10 a.m., SD–608.

Committee on Commerce, Science, and Transportation: March 6, Subcommittee on Consumer Affairs, Foreign Commerce, and Tourism, to hold hearings to examine the effectiveness of gun locks, 10 a.m., SR–253.

March 7, Full Committee, to hold hearings to examine voting technology reform, 9:30 a.m., SR–253.
Committee on Environment and Public Works: March 8, business meeting to markup S. 350, to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to promote the cleanup and reuse of brownfields, to provide financial assistance for brownfields revitalization, to enhance State response programs, 9:30 a.m., SD–406.

Committee on Finance: March 7, to hold hearings to examine tax relief for taxpayers, 10 a.m., SD–215.

Committee on Foreign Relations: March 6, Subcommittee on East Asian and Pacific Affairs, to hold hearings to examine the present political status of the Philippines and its role in the new Asia, 2 p.m., SD–419.

March 8, Full Committee, to hold hearings to examine foreign policy issues and the President’s proposed budget request for fiscal year 2002 for the Department of State, 10:30 a.m., SD–419.

Committee on Governmental Affairs: March 6, Permanent Subcommittee on Investigations, to resume hearings to examine the role of United States correspondent banking and offshore banks as vehicles for international money laundering, and the efforts of financial entities, federal regulators, and law enforcement to limit money laundering activities within the United States, 9:30 a.m., SD–342.

Committee on Health, Education, Labor, and Pensions: March 7, to hold hearings to examine proposed legislation entitled Better Education For Students and Teachers Act, 9:30 a.m., SD–430.

Select Committee on Intelligence: March 7, to hold closed hearings on intelligence matters, 2 p.m., SH219.

Committee on Veterans’ Affairs: March 8, to hold joint hearings with the House Committee on Veterans’ Affairs to examine the legislative recommendations of the Paralyzed Veterans of America, Jewish War Veterans, Blinded Veterans Association, the Non-Commissioned Officers Association, and the Military Order of the Purple Heart, 9:30 a.m., 345 Cannon Building.

House Chamber
To be announced.

House Committees
Committee on Agriculture, March 7 and 8, to continue hearings to review the federal farm commodity programs with the Coalition for a Competitive Food and Agriculture System, on March 7 and with the barley growers on March 8, 10 a.m., 1300 Longworth.

March 7, hearing to review the Farm Credit Administration’s proposed rule providing for the issuance of national charters for the Farm Credit System, 2 p.m., 1300 Longworth.

Committee on Appropriations, March 8, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies, on FDA, 9:30 a.m., 2362 Rayburn.

March 8, Subcommittee on Defense, executive, on U.S. Pacific Command and U.S. Forces, Korea, 9:30 a.m., and executive, on U.S. Central Command, 1:30 p.m., H–140 Capitol.

March 8, Subcommittee on Interior, on National Parks Services (Natural Resources Initiative), 10 a.m., B–308 Rayburn.

March 8, Subcommittee on Military Construction, on Quality of Life in the Military, 9:30 a.m., B–300 Rayburn.

March 8, Subcommittee on Transportation, on Inspector General, Department of Transportation, 10 a.m., 2358 Rayburn.

Committee on the Budget, March 7, hearing on Department of Health and Human Services Budget Priorities Fiscal Year 2002, 10 a.m., and 1:30 p.m., 210 Cannon.

March 8, on Members Day, 1 p.m., 210 Cannon.

Committee on Education and the Workforce, March 7, hearing on “Leave No Child Behind,” 10:30 a.m., 2175 Rayburn.

March 8, Subcommittee on Education Reform, hearing on “Measuring Success: Using Assessments and Accountability to Raise Student Achievement,” 10:30 a.m., 2175 Rayburn.


March 8, Subcommittee on Telecommunications and the Internet, hearing entitled “Technology and Education: A Review of Federal, State and Private Sector Programs,” 10 a.m., 2322 Rayburn.

Committee on Financial Services, March 6, Subcommittee on Oversight and Investigations and the Subcommittee on Financial Institutions and Consumer Credit, joint hearing entitled “Protecting Consumers: What can Congress do to help financial regulators coordinate efforts to fight fraud?” 2 p.m., 2128 Rayburn.


Committee on Government Reform, March 7, Subcommittee on National Security, Veterans Affairs, and International Relations, hearing on “Vulnerabilities to Waste, Fraud, and Abuse: GAO Views on National Defense and International Relations Programs,” 10 a.m., 2154 Rayburn.

Committee on House Administration, March 7, to continue consideration of Committee funding requests, 10 a.m., 1310 Longworth.

Committee on International Relations, March 7, hearing on Reinvigorating U.S. Foreign Policy, 2 p.m., 2172 Rayburn.

Committee on Resources, March 7, oversight hearing on the Role of Public Lands in the Development of a Self-Reliant Energy Policy, 10 a.m., 1324 Longworth.

March 8, Subcommittee on Forests and Forest Health, hearing on the National Fire Plan Implementation, 10 a.m., 1324 Longworth.

March 8, Subcommittee on National Parks, Recreation and Public Lands, hearing on the following bills: H.R. 107, to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting the Cold War; H.R. 400, to authorize the Secretary of the Interior to establish the Ronald Reagan Boyhood Home National Historic Site; and H.R. 452, Ronald Reagan Memorial Act of 2001, 10 a.m., 1334 Longworth.

Committee on Science, March 7, hearing on K–12th Grade Math and Science Education: the View from the Blackboard, 2 p.m., 2318 Rayburn.

Committee on Ways and Means, March 7, hearing on the Administration’s Trade Agenda, 11 a.m., 1100 Longworth.

Joint Meetings

Joint Meetings: March 8, Senate Committee on Veterans’ Affairs, to hold joint hearings with the House Committee on Veterans’ Affairs to examine the legislative recommendations of the Paralyzed Veterans of America, Jewish War Veterans, Blinded Veterans Association, the Non-Commissioned Officers Association, and the Military Order of the Purple Heart, 9:30 a.m., 345 Cannon Building.
Résumé of Congressional Activity

FIRST SESSION OF THE ONE HUNDRED SEVENTH CONGRESS

The first table gives a comprehensive résumé of all legislative business transacted by the Senate and House. The second table accounts for all nominations submitted to the Senate by the President for Senate confirmation.

### DATA ON LEGISLATIVE ACTIVITY

January 3 through February 28, 2001

<table>
<thead>
<tr>
<th></th>
<th>Senate</th>
<th>House</th>
<th>Total</th>
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<tr>
<td>Days in session</td>
<td>25</td>
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<tr>
<td>Vetoes overridden</td>
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*These figures include all measures reported, even if there was no accompanying report. A total of 1 report has been filed in the Senate, a total of 4 reports have been filed in the House.

### DISPOSITION OF EXECUTIVE NOMINATIONS

January 3 through February 28, 2001

- **Civilian nominations, totaling 87, disposed of as follows:**
  - Confirmed ...................................................................................... 22
  - Unconfirmed ................................................................................... 65

- **Other Civilian nominations, totaling 415, disposed of as follows:**
  - Confirmed ...................................................................................... 30
  - Unconfirmed ................................................................................... 385

- **Air Force nominations, totaling 4,320, disposed of as follows:**
  - Confirmed ...................................................................................... 1,844
  - Unconfirmed ................................................................................... 2,476

- **Army nominations, totaling 1,962, disposed of as follows:**
  - Confirmed ...................................................................................... 406
  - Unconfirmed ................................................................................... 1,556

- **Navy nominations, totaling 87, disposed of as follows:**
  - Confirmed ...................................................................................... 55
  - Unconfirmed ................................................................................... 32

- **Marine Corps nominations, totaling 1,036, disposed of as follows:**
  - Confirmed ...................................................................................... 616
  - Unconfirmed ................................................................................... 420

**Summary**

- Total Nominations received this session ................................................ 7,907
- Total Confirmed .................................................................................... 2,973
- Total Unconfirmed .................................................................................. 4,934
Next Meeting of the SENATE
2 p.m., Monday, March 5
Senate Chamber
Program for Monday: Senate will consider S. 420, Bankruptcy Reform.

Next Meeting of the HOUSE OF REPRESENTATIVES
2 p.m., Monday, March 5
House Chamber
Program for Monday: Pro forma session.

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