The Senate met at 9:30 a.m. and was called to order by the Honorable SAM BROWNBACK, a Senator from the State of Kansas.

**PRAYER**

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

Dear God, our Creator, Sustainer, loving heavenly Father, it is awesome to us that You have chosen, called, and commissioned us to be Your blessed people. We thank You for the times we trusted You and received Your blessings of wisdom, strength, and determination. Now hear our longing to know and do Your will in the final negotiations on the budget. There is so much on which we do agree; show us how to come to creative compromise in the issues on which we do not agree.

Give us clear heads and trusting hearts. May we earn a new confidence from the American people by the way we press on expeditiously and with excellence. Now we commit ourselves anew to You. With confidence we thank You in advance for a successful day of debate on the issues before us.

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

**APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE**

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,

To the Senate:

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

STROM THURMOND,
President pro tempore.

Mr. BROWNBACK thereupon assumed the chair as Acting President pro tempore.

**RESERVATION OF LEADER TIME**

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

**RECOGNITION OF THE ACTING MAJORITY LEADER**

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

**SCHEDULE**

Mr. DOMENICI. Mr. President, today the Senate will immediately resume consideration of the final amendments to the budget resolution. There will be 2 minutes of debate prior to a vote on any of the amendments proposed.

There are, for the information of Senators, between 30 and 40 amendments to be considered during today’s session. We are working with Senators on both sides to see which amendments can be accepted, which will require rollocall votes, and perhaps which we will not be required to take action on at all.

Senators should be aware that all votes after the first vote will be limited to 10 minutes. Therefore, Members should stay in the Chamber if possible between votes. We are working to vote on final passage by 2:30 or 3 p.m.

I thank my colleagues for their attention.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Mr. President, we have looked at the amendments overnight. We still have 42 amendments pending. That does not count the leadership wrap-up amendments or the debate on those amendments. So realistically we would be talking about 16 hours of straight voting unless we are able to find some give in the good hearts of our colleagues. I am going to turn to my side of the aisle and urge colleagues on my side to please relent in the interest of getting the business of the Senate done on this budget resolution.

Senator REID and I have gone to our colleagues and asked them to please refrain from pushing their amendment to
a vote. We understand every Senator has a right to take his or her amendment to a vote, but if everyone insists on their absolute right, we are going to be here 16 hours. Truthfully, it would probably be more than that because we have not been able to do three votes an hour.

That is the reality of the situation we confront. We urge our colleagues to try to work with us as the morning proceeds and to reduce amendments.

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

Mr. CONRAD. I am happy to yield.

Mr. WELLS. Just for the record, would the Senator do me the favor of emphasizing this amendment dealing with veterans’ health care benefits is an amendment from yesterday? I have, indeed, withdrawn my other two amendments, just so colleagues will know that. Will the Senator amplify that?

Mr. CONRAD. I am pleased to say the amendment of the Senator from Minnesota was scheduled for last night for a vote and it was held over because of a parliamentary situation that developed last evening. So I am not making this request of the Senator from Minnesota. He has been patient. He has been one who has cooperated and dropped amendments, which we appreciate very much.

I thank the Chair and yield the floor.

Does the chairman wish to go to a quorum call or go to the vote?

Mr. DOMENICI. Mr. President, let me suggest we have three or four Senators we want to talk with on the phone. We may significantly change our numbers. We do not have anything like those—we are one-third of your number or one-fourth.

I believe we ought to proceed. I believe Senator Bond is ready on our side with a second-degree.

Mr. LEAHY. Mr. President, what is the parliamentary situation? I understood we were going to have votes at 9:30?

Mr. DOMENICI. We are ready to go.

We will get an amendment up and be ready to go.

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR THE FISCAL YEARS 2001–2011

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H. Con. Res. 83, which the clerk will report.

The legislative clerk read as follows:


Pending:

Domenici amendment No. 170, in the nature of a substitute.
of things, she would be willing to take a vote vote.

The reason I mention that is I think Members have a pretty good idea how the votes are going to turn out. She sets a very good example for this body, as she always does. I suggest others follow her example.

The ACTING PRESIDENT pro tempore. All time has expired.

Mr. DOMENICI. Mr. President, I ask that we proceed in the following manner: No amendment be in order to these amendments prior to the vote; that the votes occur in relation to these amendments in a stacked sequence; first, in relationship to the Wellstone amendment and then in relation to Senator Bond’s amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The question is on agreeing to the Wellstone amendment.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that I be permitted to move to reconsider the vote.

The PRESIDING OFFICER. The motion is so ordered.

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

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

The motion was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 324

Mr. DOMENICI. We are ready to proceed with amendment No. 324, the Enzi-Carper amendment.

The PRESIDING OFFICER. The call will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. ENZI], for himself, Mr. CARPER, Mr. BAYH, Mr. KERRY, Mr. ALLARD, Mr. BAYH, Mr. HUTCHINSON, Mr. GRASSLEY, Mr. COLLINS, Mr. HAGEL, Mr. MILLER, Mr. SCHUMER, Mr. CORZINE, Mr. JOHNSON, and Mr. NICKLES, proposes an amendment number 284.

Mr. ENZI. I ask unanimous consent of the Senate that the resolution be dispensed with.

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

The amendment is as follows:

(Purpose: To modify the resolution to reflect that there should be no new Federal fees on State-chartered banks)

On page 2, line 17, decrease the amount by $2,000,000.

On page 2, line 18, decrease the amount by $6,000,000.

On page 3, line 1, decrease the amount by $90,000,000.

On page 3, line 2, decrease the amount by $95,000,000.

On page 3, line 3, decrease the amount by $100,000,000.

On page 3, line 4, decrease the amount by $105,000,000.

On page 3, line 5, decrease the amount by $110,000,000.

On page 3, line 6, decrease the amount by $115,000,000.

On page 3, line 7, decrease the amount by $120,000,000.

On page 3, line 8, decrease the amount by $125,000,000.

On page 3, line 9, increase the amount by $82,000,000.

On page 3, line 10, increase the amount by $86,000,000.

On page 3, line 11, increase the amount by $90,000,000.

On page 3, line 12, increase the amount by $95,000,000.

On page 3, line 13, increase the amount by $100,000,000.

On page 3, line 14, increase the amount by $105,000,000.

On page 3, line 15, increase the amount by $110,000,000.

On page 3, line 16, increase the amount by $115,000,000.

On page 3, line 17, increase the amount by $120,000,000.

On page 3, line 18, increase the amount by $125,000,000.

On page 3, line 19, increase the amount by $130,000,000.

On page 3, line 20, increase the amount by $135,000,000.

The amendment (No. 351) was agreed to.

The amendment (No. 269) was agreed to.

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

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

The amendment was agreed to.

The PRESIDING OFFICER. The voice vote. The vote by which the amendment was agreed to.

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

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Kentucky [Mr. BUNNING].
The dual-banking system, consisting of both state and national bank charters, has served the United States and its communities well for many years. The current fee structure is identical for state and national banks. They both pay their chartering organization for their examinations. They are also both subject to deposit insurance premiums assessed by the FDIC. Additional fees for state banks will not increase safety and soundness. Banks should have an option of a federal or state charter, depending upon their particular needs. The new fees assumed to be a part of the budget resolution would reduce the attractiveness of state bank charters, which traditionally have provided a lower-cost alternative to the federal bank charter. The effect would be to drive up costs for both banks and consumers. Our amendment will help preserve the competitiveness of state-bank charters and balance of the dual banking system. The amendment would save state banks and bank holding companies approximately $2 billion over 10 years. It would allow these banks to invest this money in their local communities, rather than paying a discriminatory fee. The Congress has rejected new federal fees on state banks in each of the previous seven budgets. The Senate Banking Committee has consistently opposed this proposal. The major banking associations—the America Bankers Association (ABA), the Independent Community Bankers of America (ICBA), America’s Community Bankers (ACB), the Conference of State Bank Supervisors (CSBS) and the Financial Services Roundtable—have all endorsed the amendment. In addition, the National Governor’s Association and the National Conference of State Legislatures are supporting the amendment. I urge my colleagues to support this amendment.

I ask unanimous consent that the letter from the National Governor’s Association and the correspondence from the banking associations be printed in the RECORD.

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

To: Members of the U.S. Senate


Re: Support Enzi/Carper Amendment to Strike Bank Exam Fees from Budget.

The FY 2002 budget that the Senate is expected to vote on this week would require the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve Board to impose new fees on state-chartered banks and bank holding companies. The amendment we are offering will ensure that these new fees will not be assessed.

The proposal included in the budget would amount to a federal tax on state-chartered entities that have already paid the state chartering agencies for the same service. In effect, these banks would be double-charged, with no added benefit.
Mr. CARPER. Mr. President, this budget resolution includes a proposal to require banks to pay the Federal Government for State-chartered banks and bank holding companies. The amendment that I am offering with Senator Enzi would strike this unnecessary and inequitable fees from the budget.

Currently, the exam fee structure for both federally and State-chartered banks is identical: federally chartered banks pay the Federal Government for their examinations, and State-chartered banks pay States for theirs. Charging State-chartered banks a fee on top of what they already pay does not increase safety and soundness or provide for additional exams. These fees only increase the Federal fisc at the expense of the State banking system.

We have seen State-chartered banks be engines of innovation. As a former Governor, I believe this is one of the great values of our dual banking system. Under this system, States and the Federal Government independently charter and regulate financial institutions. A key benefit of our dual banking system is that it provides for innovations at both the State and Federal level. In fact, State initiatives have spurred most advances in U.S. bank products and services. Everything from checking accounts to adjustable-rate mortgages, from electronic funds transfers to the powers and structures endorsed by Gramm-Leach-Bliley, originated at the State level. State-chartered banks also play an important role in credit availability and economic development. Additional Federal fees for State banks would stifle the innovation that is taking place at the State level. The very innovation which benefits all consumers by providing competition and creativity in the marketplace.

On seven prior occasions, Congress has wisely rejected these Federal fee proposals. Last week, the House refused to authorize these fees in its budget resolution. The Senate Banking Committee also opposed these fees in its views to the Budget Committee. In addition, the American Bankers Association, America’s Community Bankers, the Conference of State Bank Supervisors, the Independent Community Bankers of America, the Financial Services Roundtable, National Conference of State Legislatures, and the National Bankers Association all oppose these new fees for State-chartered institutions.

I urge you to support the dual banking system and vote for this amendment to strike these harmful Federal fees.

Mr. DOMENICI. Senator Gramm asked to address this issue for 30 seconds, and I ask unanimous consent he be permitted.

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

Mr. GRAMM. Mr. President, as chairman of the Banking Committee, I support this amendment. Obviously, nothing in the proposal actually changes banking law, it merely sets out budgetary assumptions. Broader issues are involved and I pledge to both authors of the amendment to hold hearings or otherwise deal with these broader issues. Given that understanding, I ask our colleagues to not force a rollcall vote so that we can save that time and get on about our business.

Mr. DOMENICI. What is the pleasure of the Senator?

Mr. ENZI. Would the Senator accept a voice vote?

Mr. GRAMM. I would ask for a voice vote.

Mr. DOMENICI. Parliamentary inquiry. Have the yeas and nays been entered?

The PRESIDING OFFICER. The amendment (No. 284) was agreed to.

The amendment (No. 284) was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts?

Mr. KERRY. I call up amendment No. 249.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

"The amendment (No. 249) was agreed to."

Amendment No. 249, as modified

Mr. KERRY. Mr. President, I ask unanimous consent I be permitted to modify the amendment, and I send a modification to the desk.

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

The amendment, as modified, is as follows:

(For the purpose of reducing greenhouse gas emissions, addressing global climate change concerns, protecting the global environment, and promoting domestic energy security; to provide increased funding for voluntary programs that will reduce greenhouse gas emissions in the near term; to provide increased funding for a range of energy research and efficiency programs; to provide increased funding to ensure adequate U.S. participation in negotiations that are conducted pursuant to the United Nations Framework Convention on Climate Change; to provide increased funding to encourage developing nations to reduce greenhouse gas emissions; and to provide increased funding for programs to assist U.S. businesses exporting clean energy technologies to developing nations)

On page 5, line 8, decrease the amount by $450,000,000.

On page 5, line 9, decrease the amount by $450,000,000.

On page 5, line 10, decrease the amount by $450,000,000.

On page 5, line 11, decrease the amount by $450,000,000.

On page 5, line 12, decrease the amount by $450,000,000.

On page 5, line 13, decrease the amount by $450,000,000.

On page 5, line 14, decrease the amount by $450,000,000.

On page 5, line 15, decrease the amount by $450,000,000.

On page 5, line 16, decrease the amount by $450,000,000.

On page 4, line 3, increase the amount by $450,000,000.

On page 4, line 4, increase the amount by $450,000,000.

On page 4, line 5, increase the amount by $450,000,000.

On page 4, line 6, increase the amount by $450,000,000.

On page 4, line 7, increase the amount by $450,000,000.

On page 4, line 8, increase the amount by $450,000,000.

On page 4, line 9, increase the amount by $450,000,000.

On page 4, line 10, increase the amount by $450,000,000.

On page 4, line 11, increase the amount by $450,000,000.

On page 4, line 12, increase the amount by $450,000,000.

On page 4, line 13, increase the amount by $450,000,000.

On page 4, line 14, increase the amount by $450,000,000.

On page 4, line 15, increase the amount by $450,000,000.

On page 4, line 16, increase the amount by $450,000,000.

On page 4, line 17, increase the amount by $450,000,000.

On page 4, line 18, increase the amount by $450,000,000.

On page 4, line 19, increase the amount by $450,000,000.

On page 4, line 20, increase the amount by $450,000,000.

On page 4, line 21, increase the amount by $450,000,000.

On page 4, line 22, increase the amount by $450,000,000.

On page 4, line 23, increase the amount by $450,000,000.

On page 5, line 1, increase the amount by $450,000,000.

On page 5, line 2, increase the amount by $450,000,000.

On page 5, line 3, increase the amount by $450,000,000.

On page 5, line 4, increase the amount by $450,000,000.

On page 5, line 5, increase the amount by $450,000,000.

On page 5, line 6, increase the amount by $450,000,000.

On page 5, line 7, increase the amount by $450,000,000.

On page 5, line 8, increase the amount by $450,000,000.
Mr. KERRY. Let me say to my colleagues, this is an amendment to add money back on behalf of Senator Lieberman, Senator Collins, and others, to the areas which we have already funded, to try to determine what we can do to understand global warming better, to fund new technologies, and to fund the export of American products with respect to those technologies. There is no unauthorized plan in this. There is nothing regulatory in it. This has nothing whatever to do with Kyoto. It is all preauthorized, except for programs, which we bring back to a funding level which most people think is appropriate, $4.5 billion over 10 years. It does not come out of the tax cut; it comes out of the contingency funds. I hope on a bipartisan basis we can reaffirm our approval of the efforts to continue to understand the impact of global climate change on the technologies which can help us respond.

Mr. President, there is a world-wide consensus among climate scientists that global average temperature will rise over the next 100 years if greenhouse gas emissions continue to grow. Scientists report that some of the signs of this warming are already evident: the 90s was the hottest decade on record; glaciers around the world are receding at record rates; 1,000 square miles of the Larsen ice shelf in Antarctica have collapsed into the ocean; Arctic sea ice has thinned by 40 percent in the last 25 years; and ocean temperatures in the Pacific have cooled by 1.2 degrees Celsius since 1980. Scientists warn that the potential impacts of global warming include the intensification of floods, storms and droughts; the dislocation of millions of people; the spread of tropical diseases; destructive sea level rise; the die-off of coral reefs and other ecosystems and other far reaching and adverse impacts.

To address the threat of global warming, the U.S. has invested in a range of programs aimed at understanding the global climate, reducing greenhouse gas emissions and other pollutants, saving energy and money, spurring innovation in energy technologies, and sequestering carbon. At the same time, we have engaged internationally to encourage the global use of clean energy technologies developed and manufactured here in the U.S. and to craft an international solution to the threat of climate change. Unfortunately, overall...
funding levels in the Bush budget proposal and press reports of Administration budgeting plans make clear that these important programs are facing drastic cuts—that could cripple even these minimal efforts to understand and reverse the climate change. The Climate Change Amendment increases budget authority by $4.5 billion over 10 years. It is offset by a reduction in the Bush tax cut of three-tenths of 1 percent of the overall tax cut.

The Climate Change Amendment provides additional budget authority of $4.5 billion over 10 years. It is offset by a reduction in the Bush tax cut of three-tenths of 1 percent. The additional budget authority is allocated to essential programs described below.

International Affairs—Function 150: The amendment increases budget authority by $500 million for 10 years. The increase is to offset cuts to the Global Environment Facility, USAID, State Department offices engaged in international negotiations on climate change and related programs. The GEF fosters cooperation and addresses critical threats to the global environment, including climate change but providing financial and technical assistance primarily in developing nations. USAID programs accelerate the development and deployment of new energy technologies around the world and assist U.S. manufacturers in establishing a position in a clean energy market that it expect to total $5 trillion over the next 20 years. Additional authority for the State Department is to ensure that the budget includes sufficient funding for the U.S. to fully engage with the international community in ongoing and highly complex negotiations pursuant to the UN Framework Convention on Climate Change.

Science, Space and Technology—Function 250: The amendment increases budget authority by $500 million over 10 years. The increase is to offset cuts to programs like the United States Global Change Research Program and similar efforts that provide basic and essential research into the global climate system and how pollution may be impacting it. The program is working to understand conditions and our understanding of the global water cycle, ecosystem changes and the carbon cycle. It is a multiagency effort that draws on the expertise of USDA, NASA, Energy, NOAA and other agencies. This research is fundamental to understanding and responding to the threat of global warming.

Energy—Function 270: The amendment increases budget authority by $2 billion over 10 years. The increase is to offset cuts in energy efficiency, renewable energy and other programs at the Department of Energy that reduce greenhouse gas emissions and save consumers money. These programs are the cornerstone of the U.S. effort to produce clean energy through technological innovation. They include the research, development and deployment of solar, wind, biomass, geothermal and other renewable power and technologies that increase efficiency and reduce pollution from fossil fuel energy sources. The increased authority will also offset cuts to energy efficiency programs that cut energy use, reduce pollution and save consumers money. It also strengthens U.S. energy security by reducing demand and increasing clean domestic energy production.

Natural Resources—Function 300: The amendment increases budget authority by $1 billion over 10 years. The increase is to offset cuts in a range of programs that reduce greenhouse gas emissions, save energy and provide essential research. The Environmental Protection Agency has established several successful, non-regulatory programs to reduce emissions and save money, such as the EnergyStar labeling program for products ranging from computers to refrigerators. Similar programs achieve emissions reductions through increased building efficiency, business-wide efficiency gains and increased transportation efficiency. Also included in this increased budget authority is funding to offset cuts to the US Forest Service and NOAA programs investigating carbon sequestration and basic research into the global climate.

Agriculture—Function 350: The amendment increases budget authority by $450 million over 10 years. The increase is to offset cuts to programs that develop technologies that can produce energy from switchgrass, agricultural waste, timber waste and other biomass. These bioenergy technologies produce very low or no net greenhouse gas emissions and provide a market for U.S. farmers. These programs are cuts to USDA programs studying how different farming practices and farmland conservation can increase carbon sequestration and reduce atmospheric concentrations.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are trying to work on this issue for a couple of minutes. It will not take us long; I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from New Mexico.

Mr. DOMENICI. I yield to the Senator from Nevada.

Mr. REID. The Senator from Nevada.

Mr. REID. The Senator from Massachusetts has been here all week working on this amendment. It is one of the most important issues we have taken up this week. The Senator from Massachusetts and the Senator from Maine should be complimented for their brilliant work on this piece of legislation.

Mr. LIEBERMAN. Mr. President, I rise today in support of the amendment sponsored by my distinguished colleagues from Massachusetts and Maine to ensure full funding of all Federal programs aimed at addressing a growing and increasingly troubling international problem, global warming.

The uncertain global warming has the potential to dramatically alter life as we know it, leaving our children and grandchildren to inherit a planet suffering from all manner of ailments. We cannot consider how dramatic these changes may be over time, recent science paints a rather bleak picture of what we can expect to happen. The implication to act now could not be more clear. Yet the Bush Administration has withdrawn its support for almost all of the initiatives, both domestic and international, to begin to nurse our planet back to health. We must not let this happen. This amendment would ensure that those initiatives are properly funded.

Over the last three months, the United Nation’s Intergovernmental Panel on Climate Change, or the IPCC, released its third report on global warming. The report, authored by over 700 expert scientists, according to these experts, unless we find ways to stop global warming, the Earth’s average temperature can be expected to rise between 2.5 and 10.4 degrees Fahrenheit during this next century. Such a large, rapid rise in temperature will profoundly alter the Earth’s landscape in very real and consequential terms. Sea levels could rise up to 35 feet, potentially submerging millions of homes and coastal property under our present-day oceans. Precipitation would become more erratic, leading to droughts that would make hunger an even more serious global problem than it is today. Diseases such as malaria and dengue fever could spread at an accelerated pace. Severe weather disturbances and storms triggered by climatic phenomena, such as El Nino, would be aggravated by global warming and become more frequent.

This new data should end serious debate about whether global warming is a fact. The science is now irreversible.
The only thing left to do is debate and decide how we should respond, not if we should.

As the latest scientific report reminds us, this threat is being driven by our own behavior. Let me quote the scientists: "The warming observed over the last 50 years is attributable to human activities." Mr. President, human beings have added more than three billion metric tons of carbon dioxide to the atmosphere every year for the past two decades. More amazing, and more disturbing, is the fact that current levels of carbon dioxide are the highest they have been in 20 million years of history and 30 percent higher than those present in 1750.

Faced with these findings, President Bush has said that he "takes the issue of global warming very seriously." Unfortunately, his recent acts contradict his stated views. In fact, it appears that the only cooling of the globe that will occur under President Bush is the cooling of our foreign relations.

I was deeply disappointed last month when the President, who rested on his campaign pledge to regulate carbon dioxide emissions from power plants. Just last week, the Bush Administration unilaterally also announced, without consultation with Congress and apparently without regard for our interests abroad, that it had "no interest in implementing" the Kyoto Protocol. In doing so, they did not just back away from the United States' signature on an international agreement; they backed away from the international process that resulted in the accord. Finally, while we do not yet have the exact numbers of the President's budget, it appears that he plans to significantly cut a number of the programs aimed at reducing greenhouse emissions domestically and overseas.

Most troubling are the reductions in the budgets of the Nation's energy efficiency programs and the funding for USAID. I encourage developing countries to reduce emissions. How can the White House justify walking away from the Kyoto Protocol because of inadequate participation by developing countries when they are cutting the chief U.S. program aimed at securing that participation?

Global warming is a real threat to us, our children, and our grandchildren. We must demonstrate leadership and confront it now. This amendment will fund and support programs we have to provide that leadership. We must pass it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 249), as modified, was agreed to.

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

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

The motion was agreed to.

Mr. LEAHY. Mr. President, on behalf of Senator HARKIN and myself, I call up amendment 238.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk reads as follows:

The Senate from Vermont (Mr. LEAHY), for himself and Mr. HARKIN, proposes an amendment numbered 238.

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

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

The amendment is as follows:

(Purpose: To provide an increase of $1,500,000,000 in fiscal year 2002 to Department of Justice programs for State and local law enforcement assistance)

On page 38, line 2, increase the amount by $1,500,000,000.

On page 43, line 15, decrease the amount by $1,500,000,000.

On page 48, line 8, increase the amount by $1,500,000,000.

On page 48, line 9, increase the amount by $1,500,000,000.

SEC. 4. FUNDING FOR DEPARTMENT OF JUSTICE PROGRAMS FOR STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE.

(a) FINDINGS.—The Senate finds that—

(1) the national rate of serious crime dropped for the last 8 years in a row;

(2) the national rate of violent crime, including murder and rape, is at its lowest level since 1973;

(3) the success in reducing serious crime and violent crime rates across the Nation is due in large part to the following partnership between the Department of Justice and State and local law enforcement agencies and agencies from Department of Justice programs for State and local law enforcement assistance;

(4) on February 28, 2001, President George W. Bush submitted to Congress the Administration's budget highlights, "A Blueprint For New Beginnings," which proposed "re-directing" $1,500,000,000 out of a total of $1,600,000,000 that has been dedicated for Department of Justice programs for State and local law enforcement assistance;

(5) for fiscal year 2001, Congress appropriated $523,000,000 for the Local Law Enforcement Block Grant Program, including $60,000,000 to the Boys and Girls Clubs of America for grants to Boys and Girls Clubs across the Nation, within the Department of Justice programs for State and local law enforcement assistance;

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the levels in this resolution assume an increase of $1,500,000,000 for fiscal year 2002 for the following Department of Justice programs for State and local law enforcement assistance to be provided for without reduction and consistent with previous appropriated and authorized levels: Local Law Enforcement Block Grant Program; Boys and Girls Clubs of America Grant Program; Bulletproof Vest Partnership Grant Program; Edward Byrne Memorial State and Local Assistance Program; Violent Offender Incarceration Prison Grant Program; Truth-In-Sentencing Prison Grant Program; Juvenile Accountability Incentive Block Grant Program; COPS Program; Violence Against Women Act; Crime Identification Technology Act; and Doverell National Forensic Science Improvement Act.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Vermont.
Mr. LEAHY. Mr. President, I have offered this amendment on behalf of Senator HARKIN and myself to provide an increase of $1.5 billion in fiscal year 2002 for Department of Justice programs for State and local law enforcement assistance. Our amendment pays for these additional funds for our State and local crime-fighting partners from the surplus funds in the budget resolution’s contingency reserve.

Senator Harkin and I are concerned that the Senate is being called upon this week to vote on the Federal budget without having seen a detailed submission of where the Bush Administration may propose cuts in law enforcement programs. I, for one, would hate to see cuts in our federal assistance to State and local law enforcement. Those programs help acquire bulletproof vests, reduce DNA backlogs, encourage modern communications, provide modern crime-fighting equipment, and assist cops on the beat have been so helpful to our crime control efforts.

Under Attorney General Reno, and due in part to her emphasis on a coordinated effort with State and local law enforcement, crime rates fell in each of the past 8 years. Violent crimes, including murder and rape, have been reduced to the lowest levels in decades, since before the Reagan Administration. In fact, the national rate of violent crime is at its lowest level since 1978.

We need to redouble our efforts, not cut them short or leave them short of funds. Unfortunately, President Bush’s budget highlights in his “Blueprint for New Beginnings” appears to call for cutting federal assistance to State and local law enforcement by 30 percent—by “redirecting” $1.5 billion in Department of Justice programs for state and local law enforcement assistance.

This is quite troubling. In addition, this budget resolution cuts $7.5 billion in Department of Justice funding over the next 5 years when compared to the Congressional Budget Office baseline. Over the next 10 years, this budget resolution cuts $19 billion in Department of Justice funding when compared to the CBO baseline.

Why does this budget resolution cut funding for the Department of Justice? Why do school shootings continuing across the country and the use of heroin, methamphetamine and other dangerous drugs in rural and urban settings, now is not the time to be “redirecting” $1.5 million away from federal assistance to State and local law enforcement?

Now is not the time to be pulling back from the strong national commitment we should be making to continue to assist those on the front lines in the fight against crime and battle over illegal drug use.

The success in reducing serious crime and violent crime across the nation is due in large part to the crime-fighting partnership between the Department of Justice and state and local law enforcement agencies, which benefits from Department of Justice state and local law enforcement assistance.

We should all remember the bipartisan support that makes up the Department of Justice’s state and local law enforcement assistance programs. For example, last year, Congress appropriated $60 million to the Boys and Girls Clubs of America for grants to Boys Clubs across the nation within the Department of Justice’s programs for state and local law enforcement assistance. In Vermont and every other state in the nation, Boys and Girls Clubs are a great and growing success in preventing crime and supporting our children.

In FY 2001, Congress appropriated $523 million for the Local Law Enforcement Block Grant Program within the Department of Justice’s programs for state and local law enforcement assistance programs.

Republicans and Democrats support this essential block grant for law enforcement equipment and other needs for state and local police departments.

The Department of Justice’s programs for state and local law enforcement assistance include the Bulletproof Vest Partnership Grant Program. Senator CAMPBELL and I authored the Bulletproof Vest Partnership Grant Act in 1999. In its first two years of operation, this program funded more than 325,000 new bulletproof vests for our nation’s police officers, including more than 536 vests for Vermont law enforcement officers.

In FY 2001, Congress appropriated $569 million for the Edward Byrne Memorial State and Local Assistance Program for Byrne discretionary and formula grants within the Department of Justice’s programs for state and local law enforcement assistance programs.

In Vermont, the Department of Public Safety receives about $2 million in Byrne grant funding a year to maintain the Vermont Drug Task Force to combat heroin and other illegal drugs. Byrne grants fund drug task forces in many other states as well.

The Department of Justice’s programs for state and local law enforcement assistance also include such proven crime-fighting and drug-prevention programs as the Violent Offender Incarceration Prison Grant Program; Truth-In-Sentencing Incentive Prison Grant Program; Juvenile Accountability Incentive Block Grant Program; COPS Program; Violence Against Women Act; Crime Identification Technology Act; and Juvenile Justice and Delinquency Prevention Programs.

Moreover, this year’s budget request for Department of Justice state and local law enforcement assistance should include new bipartisan crime-fighting programs that Congress passed last year. In 2000, on a bipartisan basis, the Senate and House passed the Computer Crime Enforcement Act, the DNA Analysis Backlog Elimination Act and the Paul Coverdell National Forensic Science Improvement Act.

These Department of Justice programs are needed to support our national police officers.

Mr. President, I urge the Senate to adopt the Leahy-Harkin amendment to increase funding by $1.5 billion for the 2002 fiscal year for the Department of Justice programs for state and local law enforcement assistance.

I yield to my friend from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, these are the programs that go right down to our local cops on the beat in our towns and communities all over America, especially the Byrne grant program, which has done much in my State and in the upper Midwest to fight the methamphetamine plague that has spread over this entire country. The Bush budget cuts it out—a $1.5 billion shortfall. The Leahy amendment puts that money back to help support local law enforcement.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I say to the distinguished Senators who offered the amendment, I think their intentions are wonderful, but essentially all we are doing is adding more money to the appropriated accounts. No matter what anybody says it is going to be used for, it will not be used for that; it will be used for what the appropriators say.

With that in mind, we accept the amendment if they do not insist on a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LEAHY. I ask unanimous consent that the Senator from Minnesota be added as a cosponsor.

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

The question is on agreeing to the amendment.

The amendment (No. 238) was agreed to.

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

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

The motion to lay on the table was agreed to.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are going to try to take up six amendments here—one on our side, one on their side. They do not affect the appropriations, total appropriations, because they are offset within the budget, each one for the amount that is being sought.

Can we proceed with Senator Smith, No. 217, in that regard? Is there objection to that?

Senators, the Clerk. We have no objection to Smith amendment No. 217.

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

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

The PRESIDING OFFICER. The amendment.

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

The PRESIDING OFFICER. The Clerk will report.
The legislative clerk read as follows:

The Senator from Oregon [Mr. SMITH] for himself, Mrs. CLINTON, Mrs. SNOWE, Ms. COLLINS, and Mr. SARBANES, proposes and amendment numbered 217.

The amendment is as follows:

(Purpose: To protect public health, to improve water quality in the nation’s rivers and lakes, at the nation’s beaches, and along the nation’s coasts, to promote endangered species recovery, and to work towards meeting the nation’s extensive wastewater infrastructure needs by increasing funding for wastewater infrastructure projects in an amount that will allow funding for the State water pollution control revolving funds at an amount equal to the appropriation amount in fiscal year 2001 and to fully fund grants to address municipal combined sewer and sanitary sewer overflows)

On page 17, line 21 increase the amount by $800,000,000.
On page 17, line 24 increase the amount by $800,000,000.
On page 43, line 15 decrease the amount by $800,000,000.
On page 43, line 16 decrease the amount by $800,000,000.

Mrs. CLINTON. Mr. President, I am pleased to join today with my colleagues, Senators Smith of Oregon, Collins, Snowe, SARBANES and BATH to provide funding that will help meet our Nation’s critical wastewater infrastructure needs.

Specifically, this amendment provides an additional $800 million in fiscal year 2002 for grants for wastewater infrastructure projects, including $50 million for the Clean Water State Revolving Fund and $750 million to fully fund the new grant program authorized under the Wet Weather Water Quality Act of 2000.

These new grants will help municipalities address one of our largest remaining water quality challenges, combined and sanitary sewer overflows. Sewer overflows remain the leading cause of beach closures across the country, putting public health at risk and robbing communities of millions of tourism dollars annually.

This is a real problem in New York where so many cities, big and small, are confronted with pipe and equipment failures or have undersized systems that can’t meet the increased demands of their growing populations. According to EPA’s most recent estimates, there is a 20-year need of $139 billion for wastewater infrastructure nationwide. This doesn’t even account for the funding needed to adequately address the sanitary sewer overflow problems facing our communities.

This amendment is an important first step towards meeting our country’s enormous water infrastructure needs. This amendment will ensure that our beaches are safer for swimming. And it will lead to significant improvements in the quality of the Nation’s rivers, lakes, beaches and estuaries.

Mr. SMITH of Oregon. Mr. President, I rise today to offer an amendment to the Senate Budget Resolution for Fiscal Year 2002. This amendment will increase the amount available to fully fund the sewer overflow control grants program at a level of $750 million for FY2002. It is important that Congress makes this level of commitment to clean water for a number of reasons.

The condition of our nation’s wastewater treatment facilities is alarming. In its 1996 “Clean Water Needs Survey,” the EPA estimates that nearly $140 billion will be needed over the next 20 years to address wastewater infrastructure problems. In the early 1990’s, the EPA revised its figures, infrastructure needs are now estimated at $200 billion. Other independent studies indicate that EPA has understated the mark, estimating that these unmet needs exceed $300 billion over 20 years. In my state of Oregon, the challenge of municipal water treatment is ever-present. Roughly seventy percent of Oregon’s population lives in the Williamette River watershed, with that number continuing to grow. The increasing demand for water supply and treatment is made even more acute by the responsibility to protect endangered salmon and steelhead in the Williamette River. Add to that the extremely low water and poor snowpack conditions facing the Northwest this year, and the urgency of maintaining high water quality in the river is greatly intensified.

The city of Portland is Oregon’s largest, and its proximity to the Williamette River has been a contributor to water quality problems. At its worst, Portland’s combined sewage overflow system dumped an estimated 10 billion gallons of combined sewage annually into the river in years past. During the past 7 years, however, Portland has invested over $300 million in clean water infrastructure, and will spend another $300 million in the next 5 years to meet its obligations under the Clean Water Act. I am working closely with the City of Portland to infuse targeted federal funds into its unique efforts to meet rigorous environmental requirements and responsibilities.

I am sponsoring this amendment because I strongly believe that Congress must make a firm commitment to helping cities like Portland, OR that are fully engaged in updating and improving their water treatment programs. The effects of such a commitment will be manifold, particularly upon a river like the Williamette that is long treasured, but heavily used by the many that derive their lives and livelihood from it.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 217) was agreed to.

Mr. DOMENICI. I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CONRAD. Mr. President, could we have order in the Chamber?
Mr. DeWINE. Mr. President, I thank the chairman and ranking member of the Budget Committee, Senators DOMENICI and CONRAD, for working with me, Senator GRAHAM from Florida, Senator SNOWE from Maine, and many others who support our amendment that would provide additional assistance for one of our most important agencies, the U.S. Coast Guard.

The amendment we have offered would provide an additional $250 million increase in Coast Guard operating expenses above the fiscal year 2002 level recommended by the President. The House has included this $250 million increase in its budget resolution, and I am pleased that the Senate will do the same.

Over the past few years, our Coast Guard has faced significant funding shortfalls, which are directly impacting its operations on an annual basis. Additional funding, would eliminate Coast Guard incurred parts problems, improve personnel training, fund new Department of Defense entitlements, and run drug interdiction operations at optimal levels.

Because of funding shortfalls in the Fiscal Year 2003 budget, the Coast Guard has been forced to reduce operations by 10 percent in the second quarter of this year. If funding shortfalls go unaddressed, the Coast Guard anticipates cutting operations by 30 percent in the third and fourth quarters. To address budget shortfalls and restore vital operations, the Coast Guard has requested $91 million in supplemental funding from the Office of Management and Budget.

The same thing happened last year. The Coast Guard was forced to reduce operations by 30 percent last summer, and Congress again had to come to the rescue with $77 million in supplemental operating funding.

The Coast Guard has developed an unhealthy budgetary dependence on emergency supplemental funding to pay for normal ongoing mission operations. The recent enactment of two successive Defense Authorization bills, which increased personnel costs dramatically, has exacerbated the Coast Guard’s funding problems even further. These bills mandated pay increases, new medical entitlements, recruiting and retention incentives, and other entitlements that are not funded. The $550 million appropriated in the Transportation Appropriations Bill for the Coast Guard.

The money to fund these initiatives doesn’t just magically appear. It must come from somewhere. And, what usually happens is that the Coast Guard’s resources and our nation’s defense needs to allocate an additional $844 million to upgrade U.S. counter-drug and interdiction programs. Out of this funding, the Coast Guard received $276 million. Since receiving this added investment, our Coast Guard went from seizing 82,623 pounds of cocaine in Fiscal Year 1998 to seizing 132,800 pounds in Fiscal Year 2004 at an estimated street value of over $4 billion. That amount represents the value of nearly the entire Coast Guard annual budget.

With adequate resources, this is the kind of success we can expect because we are able to level the playing field with the drug smugglers. In other words, the drug smugglers in the past have had the upper hand in terms of technology and resources to transport drugs into the United States. By giving the Coast Guard additional funding, we are giving them the means to fight against the drug traffickers, and the means to beat them.

Resources allow the Coast Guard to seek innovative solutions to improve the efficiency of counter-drug operations in drug transit zones. Take for example, Operation New Frontier, which was conducted mainly in the Western Caribbean (Windward Passage, off of Haiti, Jamaica, and Colombia), and tested the concept of the Coast Guard’s use of high-speed boats and Over-the-Horizon interceptors and used Over-the-Horizon cutter boats to successfully seize six “go-fast” drug-smuggling vessels in six attempts. This
is an unprecedented success rate. Similarly, the Coast Guard’s Deployable Pursuit Boats, DPBs, high-speed, 38-foot, 840-horsepower fiberglass boats—have been operating as another tool to stem the threat posed by drug smugglers at sea.

But unfortunately, despite recent successes, the fact is that we need to do more to help our Coast Guard in the long-term. Past funding shortfalls for the Coast Guard have had negative impacts on its operations. We need to do more. We need to make sure that every year our Coast Guard receives the funds it needs to continue its high level of service and necessary counter-drug operations.

The Coast Guard must be able to perform routine and emergency operations, while still providing vital training and maintenance functions. The Coast Guard must do this within their annual budget and without placing an unreasonable workload on its people.

I stand ready to continue working with my colleagues to make sure our Coast Guard has the funding and the support to meet its missions now and well into the future.

AMENDMENT NO. 335

Mr. Nelson of Florida. Mr. President, 2 years ago following an indepth study requested by Congress, the National Academy of Sciences recommended we reduce the level of arsenic in drinking water by a significant amount.

This is the standard that was, in fact, required in a rule issued by the previous administration, but one that the present administration abruptly overturned last month.

In response, I have filed legislation that aims to impose the safer standard of having 80 percent less arsenic in our drinking water than the Bush administration would allow.

I believe this is a step needed to protect consumers, children and our environment. Better safe than sorry is a good rule in such matters.

This amendment would provide first-year funding of $45 million the Environmental Protection Agency says is needed for states and cities to be able to improve water systems.

This amendment is needed to ensure that cost doesn’t prevent public water systems from providing safe, clean drinking water.

Mr. Warner. Mr. President, I rise today in support of an amendment offered by myself and Senator Mikulski.

Today, teachers expend significant money out of their own pocket to better the education of our children. Most typically, our teachers are spending money out of their own pocket on three types of expenses: education expenses brought into the classroom—such as books, supplies, pens, paper, and computer equipment; professional development expenses—such as tuition, fees, books, and supplies associated with courses that help our teachers become even better instructors; and interest paid by the teacher for previously incurred higher education loans.

These out-of-pocket costs placed on the backs of our teachers are but one reason our teachers are leaving the profession, and why this country is in the midst of a teacher shortage.

Therefore, I introduced The Teacher Tax Credit. This legislation creates a $1,000 tax credit for eligible teachers for qualified education expenses, qualified professional development expenses, and interest paid by the teacher for the prior tax year on any qualified education loan.

This legislation, S. 225, is cosponsored by Senators Mikulski, Allen, DeWine, Cochran, and Harkin. It is supported by the National Education Association.

We all agree that our education system must ensure that no child is left behind. As we move towards education reforms to achieve this goal, we must keep in mind the other component in our education system—the teachers.

This amendment to the budget resolution will set a reserve fund of $39.5 billion over the next 10 years to reimburse teachers for these out-of-pocket costs. Teachers will benefit and our children will benefit as well.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. Conrad. On this side we agree and support all of those amendments on en bloc and ask our colleagues’ support.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 334, 236, 196, 243, 235) en bloc were agreed to.

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

The PRESIDING OFFICER. The Clerk will please call the roll.

The legislative clerk proceeded to call the roll.

Mr. Dominici. 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. Conrad. Mr. President, last night we called up amendment No. 237, the Grassley amendment. We agreed to it and then withdrew it. It has now been corrected technically. It was agreed to last night, and we ask that it now be agreed to without a vote.

Mr. Grassley. Mr. President, the Senator describes correctly what happened last night. This is a Grassley-Kennedy amendment. It has been cleared on both sides. We ask again the support of our colleagues. It was a technical glitch last night that has been corrected.

AMENDMENT NO. 237, AS MODIFIED

The PRESIDING OFFICER. Without objection, the clerk will please report the amendment as modified.

The assistant legislative clerk read as follows:

The Senate from New Mexico [Mr. Domenici], for Mr. Grassley, proposes an amendment numbered 237, as modified.

Mr. Domenici. Mr. President, I ask unanimous consent that reading of the amendment numbered 237 be dispensed with.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. Domenici] requested unanimous consent that amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To establish a reserve fund for the Family Opportunity Act)

At the appropriate place, insert the following:

SEC. 3. RESERVE FUND FOR FAMILY OPPORTUNITY ACT.

If the Committee on Finance of the Senate adopts a bill or joint resolution which provides States with the opportunity to expand Medicaid coverage for children with special needs, allowing families of disabled children with the opportunity to purchase coverage under the Medicaid program for such children (commonly referred to as the “Family Opportunity Act of 2001”), the Chairman of the Committee on the Budget of the Senate may revise committee allocations for the Committees on Finance and other appropriate budgetary aggregations and allocations of new budget authority (and the outlays resulting therefrom) in this resolution by the amount provided by that measure for that purpose, but not to exceed $300,000,000 in new budget authority and outlays in fiscal year 2002 and $7,900,000,000 in new budget authority and outlays for the period of fiscal years 2002
through 2011, subject to the condition that such legislation will not, when taken together with all other previously-enacted legislation, reduce the on-budget surplus below the level of the Medicare Federal Hospital Insurance Trust Fund surplus in any fiscal year covered by this resolution.

Mr. NICKLES. Mr. President, I would like to express some concerns I have regarding the Opportunity Act. I agree with Chairman Grassley's position that it is critically important to make sure that our federal safety net programs do not create disadvantages for families to work and therefore earn their way off federal assistance. He has made the argument that it is wrong that families, who are currently served by public programs such as Supplemental Security Income, must decline promotions and raises which would improve their situation for fear of losing their health care coverage. I agree and will support an effort to address these inequities and help those families move off of federal programs. The legislation currently contemplated by Senators Grassley and Kennedy does not currently contemplate this. I agree with Chairman Grassley's position that it is critical to work together in this process toward a final bill to be considered by the Senate. There is no outside interest that is telling us we need the time now to do some work. We can't move ahead with any dispatch now. We would like this time to work on it. There is no outside reason for this. It is our reason, internal to our work.

RECESS

The PRESIDING OFFICER. Without objection, the Senate stands in recess. There being no objection, the Senate, at 11:10 a.m., recessed until 12:31 p.m., and reassembled when called to order by the Presiding Officer (Mr. INHOFE).

CONGRESSIONAL BUDGET FOR THE UNITED STATES GOVERNMENT FOR FISCAL YEARS 2001–2011—Continued

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

The PRESIDING OFFICER. The Senator from California.

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

The PRESIDING OFFICER. The Senator from California.

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

Mr. VOINOVICH. 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. DOMENICI. 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. DOMENICI. 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. DOMENICI. 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. DOMENICI. Mr. President, we have been working diligently to get a series of amendments we can accept. We are operating on the premise that any of the amendments that were offered either from our side or the other side—that they be budget neutral in the language that is used to formulate them.

AMENDMENT NO. 214, AS MODIFIED

Mr. DOMENICI. Mr. President, I ask unanimous consent to modify amendment No. 214 offered by Senator Collins.

I send the amendment, as modified, to the desk.

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

The clerk will report. The legislative clerk read as follows:

The amendment, as modified, reads as follows:

(Purpose: To provide for a reserve fund for veterans' education)

At the appropriate place, insert the following:
SEC. 1. RESERVE FUND FOR VETERANS’ EDUCATION.

If the Committee on Veterans’ Affairs of the House of Representatives reports a bill that increases the basic monthly benefit under the Montgomery GI Bill to reflect the increasing cost of higher education, the Chairman or Ranking Minority Member on the Budget Committee of the House or Senate, as applicable, may increase the allocation of new budget authority and outlays to such committee by the amount of new budget authority (and the outlays resulting therefrom) provided by that measure for that purpose to not exceed $775,000,000 in new budget authority and outlays for fiscal year 2002 through 2006, and $9,900,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, subject to the condition that such legislation will not, when taken together with all other previously enacted legislation, reduce the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal years covered by this resolution.

Ms. COLLINS. Mr. President, I rise today to offer an amendment that would create a reserve fund for the improvement of veterans’ education benefits under the Montgomery GI bill. I am delighted to be joined by my friend and colleague, Senator JOHNSON, in this effort.

This amendment will set aside funding for S. 131, the Veterans’ Higher Education Opportunities Act, which Senator JOHNSON and I introduced earlier this year. Our legislation would provide needed increases in the basic monthly benefit under the GI bill, a benefit that over the past 15 years has failed to keep pace with the ever-increasing cost of higher education.

Our legislation is very simple. It establishes a benchmark by which the basic Montgomery GI bill benefit will be calculated, allowing the benefit to increase as the cost of higher education increases. Endorsed by the Partnership for Veterans Education, a broad coalition including over 40 veterans service organizations and education associations, our legislation provides a new model for today’s GI bill that is logical, fair, and worthy of a nation that values both higher education and our veterans.

While the Montgomery GI bill has served our country well since its passage in 1985, the value of the educational benefit assistance it provides has grown over time due to inflation and the escalating cost of higher education. Military recruiters indicate that the program’s benefits no longer serve as a strong incentive to join the military; nor do they serve as a retention tool valuable enough to persuade men and women to stay in the military and defer the full or part-time pursuit of their higher education until a later date. Perhaps most important, the program is losing its value as a means to help our men and women in uniform readjust to civilian life after military service.

The basic benefit program of the Vietnam era GI bill provided $493 per month in 1981 to a veteran with a spouse and two children. Before the reforms of last year, a veteran in identical circumstances received only $43 more, a mere 8 percent increase over a time period when inflation has nearly doubled, and dollar buys only half of what it once purchased.

While we made progress last year in increasing stipend levels under the GI bill, the reforms fell short of allocating sufficient funds to cover the current cost of higher education. Moreover, the increase in the monthly benefit under the GI bill, the highest cost of higher education. Moreover, the increase in the monthly benefit under the GI bill, the corest most needed to ensure that the GI bill provides sufficient funds for the education of our Nation’s veterans long into the 21st century.

Our new model establishes a sensible, easily understood benchmark for GI bill benefits. The benchmark sets GI bill benefits at “the average monthly costs of tuition and expenses for commuter students at public institutions of higher education that award baccalaureate degrees.” This provision would serve as the foundation upon which future education stipends for all veterans would be based and would set benefits at a level sufficient to provide veterans the education promised to them at recruitment.

Today’s GI bill is woefully underfunded and does not provide the financial support necessary for our veterans to meet their educational goals. This amendment would provide the budget authority necessary to ensure that GI bill benefits reflect the true cost of higher education. I am very pleased that our amendment has been agreed to by both sides of the aisle and that it will become part of this budget resolution.

Mr. JOHNSON. Mr. President, I am pleased today to join Senator COLLINS in offering an amendment to the budget resolution that provides a reserve fund for veterans’ education. This reserve fund was first introduced by action to be passed later this year that would increase the monthly benefit under the Montgomery GI Bill to reflect the rising cost of education.

The 1944 GI Bill of Rights is one of the most important pieces of legislation ever passed by Congress. No program has been more successful in increasing educational opportunities for our country’s veterans while also providing a valuable incentive for the best and brightest to make a career out of military service.

Unfortunately, the current Montgomery GI Bill can no longer deliver these results and fails in its promise to veterans, new recruits and the men and women of the armed services.

Over 96 percent of recruits currently sign up for the Montgomery GI Bill and pay $1,200 out of their first year’s pay to guarantee eligibility. But only one-half of these military personnel use any of the current Montgomery GI Bill benefits.

There is consensus among national higher education and veterans associations that at a minimum, the GI Bill should pay the costs of attending the average four-year public institution as a commuter student. The current Montgomery GI Bill benefit pays a little more than half of that cost.

In addition to our reserve fund budget amendment, Senator Collins and I have introduced legislation called the Veterans’ Higher Education Opportunities Act, S.131, which creates that benchmark by indexing the GI Bill to the cost of attending a four-year public institution as a commuter student. This benchmark cost will be updated annually by the College Board in order for the GI Bill to keep pace with increasing costs of education.

The Veterans’ Higher Education Opportunities Act is truly a bipartisan effort to address recruitment and retention in the armed forces. The Veterans’ Higher Education Opportunities Act has the overwhelming support of the Association of American Universities and Land Grant Colleges, and The Retired Officers Association.

As the parent of a son who serves in the Army, these military “quality of life” issues are of particular concern to me. Making the GI Bill pay for viable educational opportunities makes as much sense today as it did following World War II.

Congress took an important step last year toward improving the Montgomery GI Bill. These changes are long overdue, and the next step in restoring the effectiveness of the Montgomery GI Bill is through our veterans’ education reserve fund amendment to the budget resolution and the Veterans’ Higher Education Opportunities Act.

I urge my colleagues to support our amendment and ask unanimous consent that letters of support for the amendment be printed in the RECORD.

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


Re amendment to improve educational opportunities for veterans.

Mr. SENATOR: On behalf of the American Council on Education, representing 1,800 two- and four-year public and private colleges and universities, I write to urge you to support Senator Johnson and Senator Collins with their amendment to the Senate budget resolution providing a reserve fund for enhancements to the Montgomery GI Bill.

While the G.I. Bill has allowed more than two million veterans to pursue the dream of a college education, inflation has severely diminished the value of this important benefit. The generous stipend payments of the G.I. Bill, it fails in its promise to help our veterans continue their education, and must be modernized to ensure that our nation’s higher education opportunities to veterans.

As a member organization of the Partnership for Veteran’s Education, we strongly support this amendment, which creates a benchmark for Montgomery G.I. Bill monthly benefits equal to the average cost of a
We are here to support the Collins-Johnson veteran's education amendment, which will ensure that we fulfill our promise to America's veterans.

Sincerely,

TERRY W. HARTLE, Senior Vice President.


Hon. TIM JOHNSON, U.S. Senate, Washington, DC.

Dear Senator Johnson: the Retired Officers Association (TROA) is writing to express support for the proposed amendment to the Senate Budget Resolution that you are cosponsoring with Senator Collins (R-ME) that would earmark in a reserve fund additional needed increases in the Montgomery GI Bill (MGIB).

The ‘Collins-Johnson Reserve Fund for Veterans Education Amendment to the FY2002 Budget Resolution would earmark $775 million in a reserve fund to support a potential increase in the MGIB under your bill, S. 131, the Veterans’ Higher Education Opportunities Act of 2001. As you know, S. 131 has broad bi-partisan support including Senate Majority Leader Lott and Senator Minority Leader Daschle. Should the Committee on Veterans’ Affairs or the Senate favorably report legislation to increase the basic monthly benefit under the MGIB to reflect the rising cost of education for America’s veterans, there would be new budget authority to cover the increase.

Indexing the MGIB to keep pace with the cost of higher education is a legislative goal of TROA and The Military Coalition. TROA supports the amendment you are cosponsoring with Senator Collins to establish a reserve fund for veterans education and we will continue our efforts to urge passage of S. 131.

Sincerely,

STEVE STROBRIDGE, Colonel, USAF (Ret.), Director, Government Relations.


Hon. TIM JOHNSON, U.S. Senate, Washington, DC.

Dear Senator Johnson: On behalf of the 1.9 million members of the Veterans of Foreign Wars, we extend our deepest thanks to you for your efforts in making veterans education a priority in S. 131, legislation offered jointly by you and Senator Susan Collins.

The Montgomery GI Bill has lost ground over the last 10 years. It is no longer able to meet the educational needs of today’s veterans. The funding level has not kept pace with the rising costs of higher education. S. 131 addresses the GI Bill’s loss of value by creating an index system so funding can be increased as higher education costs rise.

We urge you for your announced intention to offer an amendment to the Senate Budget Committee to create a reserve fund for veterans education. This amendment would provide the necessary funding to implement S. 131, resulting in a significant increase in funding for the Montgomery GI Bill.

The Montgomery GI Bill is in dire need of additional resources, and we fully support your efforts, both in the original bill, and in the amendment. We are committed to working with you to make this legislation a success.

Sincerely,

DENNIS CULIANA, Director, National Legislative Service.


Hon. TIM JOHNSON, U.S. Senate, Hart Senate Office Building, Washington, DC.

Dear Senator Johnson: The American Legion thanks you for offering the Collins/Johnson Reserve Fund for Veterans’ Education Amendment. This amendment supports the amendment to the Senate Budget Resolution that would provide a reserve fund for veterans’ education. The American Legion has long supported legislation that would base veterans’ educational benefits on the average cost of attending a four-year public institution as a commuter student. The Collins/Johnson amendment will provide the budgetary requirements needed to reach this goal.

The American Legion fully supports the Collins/Johnson Reserve Fund for Veterans’ Education Amendment and appreciates your continued leadership in addressing the critical funding needs that are important to veterans and active duty servicemembers.

Sincerely,

STEVE A. ROBERTSON, Executive Director, National Legislative Commission.

Mr. DOMENICI. Mr. President, I believe the other side will concur. I ask unanimous consent that the amendment, as modified, be agreed to and the motion to reconsider be laid upon the table.

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

The amendment (No. 214), as modified, was agreed to. The amendment numbered 182, as modified, was agreed to. The amendment numbered 182 be modified, and I send the modification to the desk. It is a Santorum amendment to amendment No. 170.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. SANTORUM, proposes an amendment numbered 182 to Amendment No. 170.

The amendment is as follows:

(Purpose: To increase in funding $353,500,000 for fiscal year 2002 for Department of Defense basic research conducted in American universities)

On page 10, line 21, increase the amount by $353,500,000.

On page 10, line 22, increase the amount by $353,500,000.

On page 43, line 15, decrease the amount by $353,500,000.

On page 43, line 16, decrease the amount by $353,500,000.

Mr. SANTORUM. Mr. President, I rise today to address the urgent need for increased levels of Department of Defense basic research funding in fiscal year 2002. I offer an amendment which will significantly increase funding for Department of Defense basic research carried out in American universities.

This past September, then-Governor George W. Bush addressed an audience at The Citadel in South Carolina and raised the notion of skipping a generation of weapons systems and of making leaps in advanced U.S. military capabilities. Governor Bush recognized that 21st century threats facing the United States are qualitatively different than the threats that occupied our military and our industrial base during the Cold War and in the decade that followed the downfall of the Soviet Union.

Since that speech, many others have articulated a need to transform our Nation’s military to better respond to these threat trends. They note that our current military is ill equipped to meet threats such as incidents of terrorism, information warfare, biological warfare, and urban conflict. The only way to meet these threats is to double our energies on meeting these challenges.

While procuring updated or evolutionary weapons systems might seem like the most expedient way to meet these new threats, I believe that we need to work our way back and look first at the basic sciences and basic research efforts that will support the development of new weapons systems. Without critical investments in Department of Defense basic research we cannot hope to make key understandings that will drive leap ahead advances or spur on revolutionary weapons systems.

At times, the funding that supports basic research for the Department of Defense has been referred to as “seed corn” funding. It is funding that, when properly invested, will return advances in our understanding of what we know about a phenomenon, a relationship, or an entity. These advances will drive leap ahead advances or spur on revolutionary weapons systems.

I therefore offer this amendment to increase in funding $353,500,000 for fiscal year 2002 for Department of Defense basic research conducted in American universities.
American universities offer the Department of Defense the laboratories and knowledge base necessary to successfully complete this transformation objective. The Department of Defense has historically played a major federal role in funding basic research and has been a key sponsor of engineering research and technology development conducted in American universities. For over 50 years, Department of Defense investment in university research has been a dominant element of the nation’s research and development infrastructure and an essential component of the United States capacity for technological innovation.

According to recent figures, 54 percent of all Department of Defense-sponsored basic research is performed in American universities. Furthermore, in aeronautical, electrical and mechanical engineering, the Department of Defense’s share of governmentwide investment exceeds 50 percent. In addition, important technological fields such as mathematics and computer science, the Department of Defense accounts for nearly 50 percent of all federal investment. Moreover, Department of Defense basic research programs make a significant contribution to national economic security by educating new generations of scientists and engineers and by helping to maintain a university research infrastructure that is the envy of the world.

The unpredictability of long-term research and the productivity of new ideas are facilitated by a variety of public programs, including federal support for basic research in university, government, and private sector laboratories. The nation’s intellectual infrastructure and an essential component of the nation’s research and development infrastructure. Moreover, defense investment in near-term, high-risk, long-term research cannot increase. A decline in the pool of scientists, engineers, mathematicians, and skilled technicians will prevent the Department of Defense from achieving success in the pursuit of leap ahead technologies. In addition, our cadre of skilled scientists and engineers—cultivated by Department of Defense basic research funds—are the individuals who will drive innovation in the areas of our economy which depend on advances in science and technology. In the end, there has to be a recognition by U.S. policy leaders that these critical funds are crucial to the U.S. military being able to meet future threats. A recent Defense Science Board (DSB) Task Force report identified several key capabilities that would be necessary to allow our military forces to meet future warfighting challenges. The capabilities identified by the DSB Task Force were: Response to engineered biological threats; real-time surveillance and targeting, especially hidden and moving targets; and real-time projection of dominant U.S./Coalition military forces. For advances to occur in these capabilities, we will first need to make wise investments in key enabling technologies. Department of Defense basic research can provide the stimulus to make this possible. Examples of key enabling technologies include: bio-technology; information technology; microelectronics; materials. The DSB Task Force report observed that commercial sector investment in these technologies are short-term in nature, as opposed to long-term. In addition, the DSB Task Force recommended a focus on the interdisciplinary combinations of these technologies, as it is in these intersections that the truly revolutionary advances in military capabilities take place.

For fiscal year 2001, President Clinton requested $1.22 billion in funding for Department of Defense basic research. Congress, for fiscal year 2001, appropriated $1.35 billion for Department of Defense basic research. With this in mind, my amendment is quite reasonable and, I believe, quite modest. For fiscal year 2002, I propose investing an additional $535.3 million in Department of Defense basic research funding spent in American universities. This amendment begins the process of transforming our military to meet 21st century threats.

Given the importance of these funds in making leap ahead advances in our military capabilities and because our quality of life as Americans is tied to basic research, I believe this is an initiative Congress should support with great enthusiasm.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the amendment, as modified, be agreed to and the motion to reconsider be laid upon the table. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator Tim Hutchinson of Arkansas be added as a cosponsor of amendment No. 317.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 297

Mr. DOMENICI. Mr. President, we have a series of amendments that have been cleared. I repeat, none of these adds any spending money; they are budget neutral.

First is amendment No. 297, which I send to the desk. The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, proposes an amendment numbered 297.

The amendment is as follows:

(Purpose: To provide a reserve fund for refundable tax credits.)

In the Senate, if any bill reported by the Committee on Finance, amendment thereto, or conference report thereon, has refundable tax provisions that increase outlays, the Chairman of the Committee on the Budget may increase the amount of new budget authority (and outlays flowing therefrom) allocated to the Committee on Finance by the amount provided by such provisions and adjust the budget aggregates and reconciliation directions set forth in this resolution, as applicable, accordingly, but only to the extent that the increase in outlays and reduced in revenues resulting from such bill does not exceed the amounts specified in section 101.

Mr. DOMENICI. This is Senator BINGAMAN’s amendment on scorekeeping. We have nothing further to add.

Mr. CONRAD. No objection on this side.

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 297) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.
Mr. CONRAD. I move to lay that motion on the table. The motion to lay on the table was agreed to.

AMENDMENT NO. 328, AS MODIFIED
Mr. DOMENICI. Mr. President, I have a modification on behalf of Senator CLINTON. I ask unanimous consent that it be appropriate to modify amendment No. 328. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment is as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mrs. CLINTON, proposes an amendment numbered 328, as modified.

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

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

The legislative clerk read as follows:

The amendment (No. 328), as modified, was agreed to.

Mr. DOMENICI. Mr. President, on behalf of Senator DASCHLE, for himself, Mr. JOHNSTON, Mrs. MURRAY, Mr. BINGAMAN, Mr. BAUCUS, Mr. DOMENICI, Mr. CONRAD, and Mr. INOUYE, proposes an amendment numbered 325.

Mr. DOMENICI. Mr. President, on behalf of Senator DASCHLE, I ask that amendment No. 325 be called up.

The PRESIDING OFFICER. The amendment (No. 219) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 325

Mr. DOMENICI. Mr. President, on behalf of Senator DASCHLE, for himself, Mr. JOHNSTON, Mrs. MURRAY, Mr. BINGAMAN, Mr. BAUCUS, Mr. DOMENICI, Mr. CONRAD, and Mr. INOUYE, proposes an amendment numbered 325.

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

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 219) was agreed to.

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

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

The amendment is as follows:

(Purpose: To strengthen our national food safety infrastructure by increasing the number of inspectors within the Food and Drug Administration to enable the Food and Drug Administration to inspect high-risk sites at least annually, supporting research that enables us to meet emerging threats, improving surveillance to identify and trace the sources and incidence of food-borne illness, and otherwise maintaining at least current funding levels for food safety initiatives at the Food and Drug Administration and the United States Department of Agriculture)

On page 43, line 16, decrease the amount by $32,000,000.

On page 48, line 8, increase the amount by $40,000,000.

On page 48, line 9, increase the amount by $32,000,000.

Mr. DOMENICI. This affects food safety. We have no objection to the amendment.

Mr. CONRAD. We support the amendment on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 328), as modified, was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 29

Mr. DOMENICI. Mr. President, on behalf of Senator REID, I call up amendment No. 29.

The PRESIDING OFFICER. The amendment is as follows:

The amendment has to do with energy research. We have nothing further to say on the amendment. It is acceptable on our side.

Mr. DOMENICI. Mr. President, we strongly support the amendment on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 219) was agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 329

Mr. DOMENICI. Mr. President, on behalf of Senator DASCHLE, I ask that amendment No. 329 be called up.

The PRESIDING OFFICER. The amendment will report.

The assistant legislative clerk read as follows:

The amendment is as follows:

(Purpose: To increase discretionary funding for the Indian Health Service by decreasing the size of the tax cut for the wealthiest Americans)

On page 2, line 17, increase the amount by $4,200,000,000.

On page 2, line 18, increase the amount by $4,580,000,000.

On page 3, line 1, increase the amount by $5,290,000,000.

On page 3, line 2, increase the amount by $5,790,000,000.

On page 3, line 3, increase the amount by $6,320,000,000.

On page 3, line 4, increase the amount by $6,890,000,000.

On page 3, line 5, increase the amount by $7,490,000,000.

On page 3, line 6, increase the amount by $8,160,000,000.

On page 3, line 7, increase the amount by $8,890,000,000.

On page 3, line 8, increase the amount by $9,650,000,000.

On page 3, line 13, decrease the amount by $1,200,000,000.

On page 3, line 14, decrease the amount by $1,580,000,000.

On page 3, line 15, decrease the amount by $5,290,000,000.

On page 3, line 16, decrease the amount by $5,790,000,000.

On page 3, line 17, decrease the amount by $6,320,000,000.

On page 3, line 18, decrease the amount by $6,890,000,000.

On page 3, line 19, decrease the amount by $7,490,000,000.

On page 3, line 20, decrease the amount by $8,160,000,000.

On page 3, line 21, decrease the amount by $8,890,000,000.

On page 3, line 22, decrease the amount by $9,650,000,000.

On page 4, line 3, increase the amount by $4,580,000,000.

On page 4, line 4, increase the amount by $5,290,000,000.

On page 4, line 5, increase the amount by $5,790,000,000.

On page 4, line 6, increase the amount by $6,320,000,000.

On page 4, line 7, increase the amount by $6,890,000,000.

On page 4, line 8, increase the amount by $7,490,000,000.

On page 4, line 9, increase the amount by $8,160,000,000.

On page 4, line 10, increase the amount by $8,890,000,000.

On page 4, line 11, increase the amount by $9,650,000,000.

On page 4, line 17, increase the amount by $4,580,000,000.

On page 4, line 18, increase the amount by $5,290,000,000.

On page 4, line 19, increase the amount by $5,790,000,000.

On page 4, line 20, increase the amount by $6,320,000,000.

On page 4, line 21, increase the amount by $6,890,000,000.

On page 4, line 22, increase the amount by $7,490,000,000.

On page 4, line 23, increase the amount by $8,160,000,000.

On page 5, line 1, increase the amount by $8,890,000,000.

On page 5, line 2, increase the amount by $9,650,000,000.

On page 5, line 23, increase the amount by $1,200,000,000.

On page 5, line 24, increase the amount by $1,580,000,000.

On page 5, line 2, increase the amount by $1,580,000,000.

On page 5, line 3, increase the amount by $1,580,000,000.

On page 5, line 6, increase the amount by $5,290,000,000.

On page 5, line 7, increase the amount by $5,790,000,000.

On page 5, line 8, increase the amount by $6,320,000,000.

On page 5, line 9, increase the amount by $6,890,000,000.

On page 5, line 10, increase the amount by $7,490,000,000.

On page 5, line 11, increase the amount by $8,160,000,000.

On page 5, line 12, increase the amount by $8,890,000,000.

On page 5, line 13, increase the amount by $9,650,000,000.

On page 5, line 14, increase the amount by $10,400,000,000.
Mr. CONRAD. This is an amendment that deals with Indian health and is strongly supported on this side.

Mr. DASCHLE. Mr. President, this amendment addresses a huge, but simple problem. American Indians and Alaska Natives were guaranteed health insurance. They are not getting it.

The Indian Health Service is supposed to provide full health coverage and care to every Indian in the country. In fiscal year 2002, the cost of that care is conservatively estimated at $6 billion. The IHS budget for those Personal Clinical Services is $1.8 billion. My amendment would give the Indian Health Service the $4.2 billion it needs to provide the basic, essential health coverage it is required to provide.

What is happening now without that critical funding? Health care is being rationed, often with tragic results. Indians are being told they face a literal "life or limb" test. They cannot see a doctor unless their life is threatened or they are about to lose a limb. They are told they have to wait until they get worse; then, if there is any money left, they might get treatment. Non-emergency care is routinely denied.

It's hard to believe this is happening in America in 2001, but it is.

And it is not just in Indian Country, but also in the surrounding areas where non-IHS facilities try to fill in some of the treatment gaps. Because IHS has no money to reimburse them, they are facing their own budget crises.

The problem is real; the solution is simple. Give the Indian Health Service the funds it needs to provide 2.45 million Native Americans the health benefits they have been promised.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be added as an original cosponsor.

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

Mr. DOMENICI. We have no objection to the amendment.

Mr. CONRAD. Mr. President, I, too, want to be listed as an original cosponsor of the amendment.

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

Mr. CONRAD. This is an amendment that deals with Indian health and is strongly supported on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The amendment (No. 325) was agreed to.

AMENDMENT NO. 246

Mr. DOMENICI. Mr. President, I ask that amendment No. 246 be called up.

The PRESIDING OFFICER. The legislative clerk read as follows: The Senate from New Mexico [Mr. DOMENICI], for Mr. Smith of Oregon, proposes an amendment numbered 246.

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

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

The amendment is as follows:

On page 5, line 8, decrease the amount by $100,000,000.

On page 16, line 15, decrease the amount by $100,000,000.

Mr. SMITH of Oregon. Mr. President, I rise today to introduce an amendment to the Senate Budget Resolution for Fiscal Year 2002. This amendment would increase the construction funds available to the Bureau of Reclamation by $100 million annually in fiscal years 2002 and 2003.

Mr. President, there is a crying need for water infrastructure in the Western United States. Many existing Reclamation projects are over 40 years old and need improvements and rehabilitation. A new environmental ethic has caused projects to provide more water for the environment, or to be reconfigured to be more environmentally friendly. These types of construction projects include screening diversions, lining canals, and temperature control devices. The 106th Congress authorized several new projects to be funded by the Bureau of Reclamation, including the Lewis and Clark Water Supply Project in South Dakota, and a reconfigured Dakota Water Supply Project for North Dakota. The views and estimates of the Senate Energy Committee also anticipated Committee action on a major Indian water settlement in Arizona, and the enactment of a CAL-FED authorizations bill.

In the face of these existing and anticipated demands on the Reclamation budget, construction funds available to the agency declined thirty-six percent over the last ten years. This bipartisan amendment would provide $100 million in additional construction funds for the Bureau of Reclamation in both 2002 and 2003. In 2002, the funds come from the function 920 account. In 2003, they come from the budget surplus.

As the National Urban Agricultural Council aptly stated: "It is time to turn the corner on the funding for the Bureau and put it on a course so that the West is not left withering in the desert." I urge my colleagues' support of this amendment.
S3656

Congressional Record — Senate
April 6, 2001

(Purpose: To provide an increase in funds of $1.3 billion in fiscal year 2002 for the promotion of voluntary agriculture and forestry conservation programs that enhance and protect natural resources on private lands and without taking from the HI Trust Fund)

On page 17, line 23, increase the amount by $1,230,000,000.

On page 17, line 24, increase the amount by $1,230,000,000.

On page 43, line 15, decrease the amount by $1,230,000,000.

On page 43, line 16, decrease the amount by $1,230,000,000.

Mr. SMITH of Oregon. Mr. President, I want to thank the distinguished Chairman and Ranking Member of the Senate Budget Committee for helping to reach this agreement to adopt this amendment today. While this modified version does not contain the $2.7 billion in fiscal year 2003 that the original did, it does call for the $1.3 billion increase in fiscal year 2005 for agriculture conservation under function 300 of the budget. This amount, combined with $350 million authorized under an amendment adopted yesterday, totals more than $1.6 billion for conservation activities in fiscal year 2002.

As you know, farmers and ranchers are faced with new environmental regulations and development pressures, agriculture conservation programs become even more important. Right now, demand for conservation assistance far outstrips available funding for such programs as the Environmental Quality Incentives Program. In addition, there is a need for more NRCS technical assistance support and a new incentives-based conservation initiative such as the Conservation Security Act.

I want to thank Senators HARKIN, LEAHY, SNOWE, CRAPO, BOXER, WYDEN, DAYTON, BINGAMAN, LEVIN, DURBIN, JOHNSON, and LANDRUE who joined me in introducing this bipartisan amendment. I have enjoyed working with them and believe that we have a growing core of interest in agriculture conservation funding here in the Senate. I look forward to working closely with my friends on both sides of the aisle to pursue this funding in the upcoming conference on the budget as well as in future agriculture appropriations acts.

Mr. DOMENICI. We have no objection to the amendment, as modified, on this side.

Mr. CONRAD. We support the amendment, as modified, on this side as well.

Mr. DOMENICI. The amendment is agreed to.

The Presiding Officer: Without objection, the amendment is agreed to.

The amendment (No. 283), as modified, was agreed to.

Mr. DOMENICI. I repeat, this amendment does not increase spending. It is a neutral amendment.

Mr. CONRAD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Amendment No. 197

Mr. DOMENICI. Mr. President, I have three amendments we want to voice vote. The first one is amendment No. 197 by Senator DORGAN.

The Presiding Officer: The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DORGAN, proposes an amendment numbered 197.

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

The Presiding Officer: Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To increase budget authority and outlays in Function 450 (Community and Regional Development) by $2,300,000,000 to establish a venture capital fund to make equity investments in businesses with high job-creating potential located or locating in rural counties that have experienced economic hardship caused by net out-migration of 10 percent or more between 1980 and 1998 and are situated in States in which 25 percent or more of the rural counties have experienced net out-migration of 10 percent or more over the same period, based on Bureau of the Census statistics; to make available $200,000,000 to that fund for each of fiscal years 2002 through 2011; to require a substantial investment from State government and private sources and to guarantee up to 60 percent of each authorized private investment; and to express the sense of the Senate that this funding should be offset by a transfer of $2,300,000,000 from the surplus amounts held by Federal Reserve banks)

On page 2, line 17, increase the amount by $230,000,000.

On page 2, line 18, increase the amount by $230,000,000.

On page 3, line 2, increase the amount by $230,000,000.

On page 3, line 3, increase the amount by $230,000,000.

On page 3, line 4, increase the amount by $230,000,000.

On page 3, line 5, increase the amount by $230,000,000.

On page 3, line 6, increase the amount by $230,000,000.

On page 3, line 7, increase the amount by $230,000,000.

On page 3, line 8, increase the amount by $230,000,000.

On page 3, line 13, decrease the amount by $230,000,000.

On page 3, line 14, decrease the amount by $230,000,000.

On page 3, line 15, decrease the amount by $230,000,000.

On page 3, line 16, decrease the amount by $230,000,000.

On page 3, line 17, decrease the amount by $230,000,000.

On page 3, line 18, decrease the amount by $230,000,000.

On page 3, line 19, decrease the amount by $230,000,000.

On page 3, line 20, decrease the amount by $230,000,000.

On page 3, line 21, decrease the amount by $230,000,000.

On page 3, line 22, decrease the amount by $230,000,000.

On page 4, line 17, increase the amount by $230,000,000.

On page 4, line 18, increase the amount by $230,000,000.

On page 4, line 19, increase the amount by $230,000,000.

On page 4, line 20, increase the amount by $230,000,000.

On page 4, line 21, increase the amount by $230,000,000.

On page 4, line 22, increase the amount by $230,000,000.

On page 4, line 23, increase the amount by $230,000,000.

On page 5, line 1, increase the amount by $230,000,000.

On page 5, line 2, increase the amount by $230,000,000.

On page 5, line 6, increase the amount by $2,300,000,000.

On page 5, line 7, increase the amount by $2,300,000,000.

On page 5, line 11, increase the amount by $2,300,000,000.

On page 5, line 15, increase the amount by $2,300,000,000.

On page 5, line 19, increase the amount by $2,300,000,000.

On page 5, line 23, increase the amount by $2,300,000,000.

On page 5, line 26, increase the amount by $2,300,000,000.

On page 5, line 7, increase the amount by $2,300,000,000.

On page 5, line 11, increase the amount by $2,300,000,000.

On page 5, line 15, increase the amount by $2,300,000,000.

On page 5, line 19, increase the amount by $2,300,000,000.

On page 5, line 23, increase the amount by $2,300,000,000.

On page 5, line 26, increase the amount by $2,300,000,000.

On page 5, line 26, increase the amount by $2,300,000,000.

At the end, add the following:

SEC. . SENSE OF THE SENATE ON THE USE OF FEDERAL RESERVE SURPLUSES.

It is the sense of the Senate that the levels in this resolution assume that the $2,300,000,000 increase in revenues over the 2002 through 2011 fiscal year period should be achieved through the transfer of funds from the surplus funds of the Federal Reserve banks to the Treasury.

Mr. DOMENICI. Mr. President, we oppose this amendment, but we are willing to do this on a voice vote. I have nothing further to say. This adds money to function 450 of the budget. We are against it, but we will have a voice vote.

The Presiding Officer: The question is on agreeing to amendment No. 197.

The amendment (No. 197) was rejected.

Amendment No. 198

Mr. DOMENICI. I call up amendment No. 198 on behalf of Senator DORGAN.

The Presiding Officer: The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. DORGAN, proposes an amendment numbered 198.

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

The Presiding Officer: Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To eliminate the Bureau of Indian Affairs school construction backlog and to increase funding for Indian health services, by transferring funds from the surplus amounts held by Federal Reserve banks)

On page 2, line 17, increase the amount by $713,440,000.

On page 2, line 18, increase the amount by $713,440,000.
On page 3, line 1, increase the amount by $713,440,000.
On page 3, line 2, increase the amount by $713,440,000.
On page 3, line 13, decrease the amount by $713,440,000.
On page 3, line 14, decrease the amount by $713,440,000.
On page 3, line 15, decrease the amount by $713,440,000.
On page 3, line 16, decrease the amount by $713,440,000.
On page 4, line 3, increase the amount by $732,000,000.
On page 4, line 4, increase the amount by $723,000,000.
On page 4, line 5, increase the amount by $732,000,000.
On page 4, line 17, increase the amount by $713,440,000.
On page 4, line 18, increase the amount by $713,440,000.
On page 4, line 19, increase the amount by $713,440,000.
On page 25, line 6, increase the amount by $232,000,000.
On page 25, line 7, increase the amount by $231,440,000.
On page 25, line 10, increase the amount by $232,000,000.
On page 25, line 11, increase the amount by $231,440,000.
On page 25, line 14, increase the amount by $232,000,000.
On page 25, line 15, increase the amount by $213,440,000.
On page 25, line 18, increase the amount by $232,000,000.
On page 25, line 19, increase the amount by $213,440,000.
On page 28, line 23, increase the amount by $500,000,000.
On page 28, line 24, increase the amount by $500,000,000.
On page 29, line 2, increase the amount by $500,000,000.
On page 29, line 3, increase the amount by $500,000,000.
On page 29, line 6, increase the amount by $500,000,000.
On page 29, line 7, increase the amount by $500,000,000.
On page 29, line 10, increase the amount by $500,000,000.
On page 29, line 11, increase the amount by $500,000,000.
On page 43, line 15, increase the amount by $732,000,000.
On page 43, line 16, increase the amount by $713,440,000.
On page 48, line 8, increase the amount by $732,000,000.
On page 48, line 9, increase the amount by $713,440,000.

Mr. DOMENICI. Mr. President, we have a third amendment. We hope the same treatment befalls this amendment. This is Conrad amendment No. 261.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD] proposes an amendment numbered 261.

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

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

The amendment (No. 261) was rejected.

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

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

AMENDMENT NO. 183

Mr. DOMENICI. Mr. President, we are prepared to proceed with some additional amendments. We call up amendment No. 183, the Kerry-Bond amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. KERRY, Mr. BOND, Mr. BINGAMAN, Mr. WELLSTONE, Mr. LANDRIEU, Mr. DASCHLE, Mr. LEAHY, and Mr. JOHNSON, proposes an amendment numbered 183.

Mr. DOMENICI. I ask unanimous consent reading of the amendment be dispensed.

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

The amendment is as follows:

(Purpose: To revise the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country's 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs, such as the 7(a) loan program and the Women's Business Centers, at the SBA because the current budget request would reduce funding for the agency by a minimum of 26 percent. These cuts come at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks surveyed have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. This amendment also shores up resources for the agency's management training and counseling programs, which are sometimes more important to the success of small businesses than loans. This amendment is not controversial, and it is bipartisan. I want to thank my colleagues—Senators BOND, BINGAMAN, WELLSTONE, LANDRIEU, DASCHLE, LEAHY, JOHNSON, SCHUMER, COLLINS, LEVIN, and SNOWE—for cosponsoring what I consider sensible and realistic changes to the budget.

In order to foster small businesses creation and growth in this country, we need to restore $264 million to the SBA's budget for FY2002. That amount would leverage $13.2 billion in loans and venture capital and counsel more than one million entrepreneurs. That may seem tiny compared to some amendments we've been considering, but let me assure you the impact is great on the economy. Small businesses provide 50 percent of private-sector jobs. For less than $2 per taxpayer, we can provide access to credit and capital for our nation's job creators.

Mr. DOMENICI. Mr. President, we accept that amendment and we are willing to do that at this time.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. If the distinguished managers would not object, I know Senator KERRY would like to add a brief statement.

A recent visitor to my Small Business Committee office spoke excitedly that his small business won a Government contract. But when he sought financing at a local bank, the bank would not lend to him unless he was willing to pay a 28-percent interest rate. It is odd to see the Government willing to do business with him but banks consider the small business too risky. The SBA fills that role, and this amendment will ensure that the SBA can continue to do that.

I urge adoption of this bipartisan amendment on SBA. The funds are critical for SBA programs such as HUBZones, 7(a) loan programs, and the BDC program.

Mr. KERRY. Mr. President, I am offering an amendment that ensures the small business programs at the Small Business Administration are adequately funded for FY 2002 and can continue to provide loans and business assistance to the country's 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs, such as the 7(a) loan program and the Women's Business Centers, at the SBA because the current budget request would reduce funding for the agency by a minimum of 26 percent. These cuts come at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks surveyed have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. This amendment also shores up resources for the agency's management training and counseling programs, which are sometimes more important to the success of small businesses than loans.

This amendment is not controversial, and it is bipartisan. I want to thank my colleagues—Senators BOND, BINGAMAN, WELLSTONE, LANDRIEU, DASCHLE, LEAHY, JOHNSON, SCHUMER, COLLINS, LEVIN, and SNOWE—for cosponsoring what I consider sensible and realistic changes to the budget.

In order to foster small businesses creation and growth in this country, we need to restore $264 million to the SBA's budget for FY2002. That amount would leverage $13.2 billion in loans and venture capital and counsel more than one million entrepreneurs. That may seem tiny compared to some amendments we've been considering, but let me assure you the impact is great on the economy. Small businesses provide 50 percent of private-sector jobs. For less than $2 per taxpayer, we can provide access to credit and capital for our nation's job creators.
Mr. President, every single State in this Nation benefits from the small business support the SBA provides. I ask my colleagues to vote for this amendment.

I ask unanimous consent that letters of support and a summary of the amendment be printed in the RECORD.

The National Association of Government Guaranty Lenders, Inc.,

Stillwater, OK, April 5, 2001.

Hon. John F. Kerry,
U.S. Senate, Washington, DC.

Dear Senator Kerry: I am writing on behalf of NAGGL’s nearly 700 members in support of your amendment, number 183, to the Budget Resolution. It would revise the proposed budget for the Small Business Administration in fiscal year 2002. Specifically, your amendment would restore $264 million to the SBA’s budget in fiscal year 2002 of which $118 million is earmarked for the agency’s 7(a) guaranteed loan program. We strongly believe it is in the best interest of small businesses that your amendment be adopted.

The present budget proposes no fiscal year 2002 appropriations for the 7(a) loan program and it proposes no amendment to allow self-funding through the imposition of increased fees. The previous SBA Administrator testified before the House Small Business Committee last year that the program was already being run at a “profit” to the government. This statement was confirmed in a September 2000 Congressional Budget Office report which made the program sub-sidized and unnecessary. Unfortunately, the budget as currently proposed would, in our view, have the effect of imposing additional fees on small businesses to cover the cost of the program. This would be ironic given the Administration’s push for tax cuts.

A recent survey of NAGGL’s membership, who currently make approximately 80 percent of SBA 7(a) guaranteed loans, shows that if the budget were adopted as proposed, most lenders would significantly curtail their 7(a) lending activities. Therefore, small businesses would find it more difficult and expensive to obtain crucial long-term financing. This would increase the lender’s cost of making a loan by 75 percent and would increase the direct cost to the borrower by 12 percent. Any fee increase is unacceptable. This program is already profitable for the government.

The small business consequences of a slowdown in 7(a) guaranteed lending are manifold. Currently, according to statistics available from the Federal Deposit Insurance Corporation and the SBA, approximately 30 percent of all long-term loans, those with a maturity of 3 years or longer, carry an SBA guarantee. This is because lenders generally are unwilling to make long-term loans with a short-term deposit base. Therefore, reducing the availability of 7(a) capital to small businesses will have a significant effect on them and the economy.

The average maturity for an SBA 7(a) guaranteed loan is 14 years. The average conventional small business loan carries an average maturity of one year or less. For those conventional loans with original maturities of over one year, the average maturity is just three years. The majority of 7(a) borrowers are new business startups or early stage companies. The longer maturities provided by the SBA 7(a) loan program provide small businesses valuable payment relief, as the longer maturity loans carry substantially lower monthly payments.

For example, if a small business borrower had to take a 5 year conventional loan instead of a 10 year SBA 7(a) loan, the result would be a 35%–40% increase in monthly payments. The lower debt payments are critical to startup and early stage companies. Small business loans, where they can be found, would have vanished in the monthly payment. This at a time when the economy appears to be struggling and when bank regulators have spurred banks to tighten credit criteria, the current budget only proposes to worsen the situation for small business borrowers.

Your amendment would help mitigate this problem. It would provide small businesses far better access to long-term financing on reasonable terms and conditions at a time when their access to such capital is critical.

We urge your colleagues to support your initiative and adopt your amendment.

Respectfully,

ANTHONY R. WILKINSON.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:


Hon. John F. Kerry,
Ranking Member, Senate Small Business Committee, Russell Senate Office Building, Washington, DC.

Dear Senator Kerry: We write in support of the Kerry/Bond Amendment to restore $264 million of the proposed cuts to the Small Business Administration’s (SBA) budget. We further support the amendment’s proposal to have these cuts come out of the contingency fund and not the tax cut or the Medicare/Social Security trust fund. Your amendment would ensure that the small business programs at the SBA are adequately funded and continue to provide loan and business assistance to Hispanic-owned small businesses in this country.

The United States Hispanic Chamber of Commerce (USHCC) represents the interest of approximately 1.5 million Hispanic-owned businesses in the United States and Puerto Rico. With a network of over 200 local Hispanic chambers of commerce across the country, the USHCC stands as the pre-eminent business organization that promotes the economic growth and development of Hispanic entrepreneurs.

The SBA programs that are currently in jeopardy of losing funds have been extremely instrumental in helping our Hispanic entrepreneurs start and maintain successful businesses in the United States. Without these programs, the Hispanic business community will suffer huge setbacks to the strides we have made over the last several years. It is therefore necessary to restore and increase funding to these programs so that the Hispanic business community will continue to experience economic growth and success in this country.

We support your efforts and urge other members of the Senate to support the Kerry/Bond amendment in restoring these necessary funds to the SBA.

Respectfully submitted,

MARITZA RIVERA.
Vice President for Government Relations.
Thank you very much for your continued support and advocacy on our behalf.

Sincerely,

ANDREA C. SILBERT,
President, AWBC, and CEO, Center for Women & Enterprise.

HOUSTON, TX,

Hon. JOHN F. KERRY,
Washington, DC.

DEAR SENATOR KERRY: Since I work with small businesses every day to help them obtain the financing they require to start a new business, acquire a business or expand an existing business, I wanted you to know that I support you and your efforts regarding Amendment 183.

Thank you for your continued good work.

Sincerely,

CHARMAN RONALES.

SUMMARY OF AMENDMENT NO. 183

(Purpose: To amend the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country's 24 million small businesses. It is necessary to restore and reasonably increase funding to specific programs at the SBA because the current budget request reduces funding for the Agency by a minimum of 26 percent at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow.)

All funds are added to Function 376, which funds the SBA for FY 2002.

CREDIT PROGRAMS

$118 million for 7(a) loans, funding an $11 billion program.

$36.2 million for SBIC participating securities, will support a $2 billion program.

$750,000 for direct microloans, funding a $30 million program.

$21 million for new markets venture capital debentures, funding $150 million program.

Total request for credit programs=$166 million.

Non-credit programs

$4 million for the National Veterans Business Development Corporation.

$10 million for Microloan Technical Assistance, total of $30 million.

$30 million for Small Business Development Centers, total of $105 million.

$30 million for New Markets Venture Capital Technical Assistance.

$15 million for the Program for Investment in Microenterprise.

$7 million for BusinessLINC.

$1.7 million for Small Business Centers, bringing total to $13.7 million.

$250,000 for Women's Business Council, bringing total to $1 million.

Total request for non-credit programs=$94 million.

Total request for credit and non-credit programs=$260 million.

Mr. KERRY. Mr. President, in conclusion, we have noticed in the last months small businesses have been severely constrained because banks are tightening up credit. This amendment is going to leverage some $13 billion worth of investment in the country. There isn't a State in the Nation where small business doesn't make an enormous difference. Small business represents 50 percent of the jobs in the private sector. By restoring these funds, we are going to help to turn around the slowness that people perceive in the economy today and I think give a lot of relief to an awful lot of businesses in the Nation.

I thank the managers for accepting this amendment.

Mr. DOMENICI. This also is budget neutral. We have no objection to the amendment.

Mr. CONRAD. Mr. President, it is supported on this side as well.

Mr. PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 183) was agreed to.

AMENDMENT NO. 231, AS MODIFIED

Mr. DOMENICI. We call up Senator MURRAY's amendment No. 231, and I ask unanimous consent to send a modification to the desk.

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

The legislative clerk read as follows:

The amendment (No. 231) was agreed to.

AMENDMENT NO. 231, AS MODIFIED

Mr. AKAKA. Mr. President, I am pleased to cosponsor the amendment offered by the Senator from Washington, Mrs. MURRAY, to reinstate FEMA's pre-disaster mitigation program, Project Impact. Established in 1997, Project Impact assists communities in identifying risks and vulnerabilities, developing programs to lessen risks, and involving the public and private sectors in the process. With over 250 community Project Impact partners nationwide and more than 2,500 business partners, Project Impact is the only Federal program that provides funds for pre-disaster mitigation. In Hawaii, all four of the state's counties are Project Impact partners. For example, Maui County is using Project Impact to review community mitigation plans in regions that are more isolated than others to reduce disruptions during and after disasters. The County of Kauai is using funds to assist with retrofitting and hardening public structures to protect them from damaging hurricanes, and the state's most populous area, the City and County of Honolulu, is working on an aggressive public education and awareness program, developing a mitigation statement that includes a risk-vulnerability assessment, hardening and retrofitting essential facilities, and flood control measures.
My distinguished colleague from Washington described how Seattle has benefited from its partnership with Project Impact. I was interested that 6 months before the city’s massive earthquake, Mayor Paul Schell said, “Seattle’s Project Impact helps us build the necessary power against the threat of earthquakes. This public-private partnership is a stellar example of how local communities can work together to become disaster resistant.”

Ironically, the President’s budget, which was released on the same day as the Seattle earthquake, proposed to terminate Project Impact from FEMA’s fiscal year 2002 budget because the program “has not proven effective.” I would like to take a moment to discuss the effectiveness of this program.

My first action was to ask OMB Director Mitchell Daniels and FEMA Director Joseph Allbaugh how they reached their decision to eliminate this success story. During Director Allbaugh’s confirmation hearing, he said that, with respect to the importance of disaster mitigation, “taking my lead from Congress’ enactment of the 2000 Stafford Act amendments, I plan to focus on implementing pre-disaster programs that encourage the building of disaster resistant communities. FEMA has made solid progress in this area, but more can be done to limit the human and financial toll of disasters.” We must assume that the President’s proposal to cut these programs that are designed to protect our communities, especially smaller cities and towns, participating in this important program, I believe we must first determine its effectiveness before voting for its elimination. I am asking GAO to undertake a detailed assessment of the program so that we may determine its effectiveness.

Mr. LIEBERMAN. Mr. President, I am pleased to cosponsor this amendment offered by Senators MURRAY and AKAKA to restore funding authorization for the Federal Emergency Management Agency’s Project Impact and Hazard Mitigation grants. I have also indicated my opposition to the administration’s cuts in these programs in a letter to Chairman DOMENICI and Senator CONRAD, pursuant to my obligation as ranking member of the Governmental Affairs Committee to express views on the President’s budget as it affects my committee’s jurisdiction.

The administration’s proposed cuts in these programs would shift part or all of the funding burden for these programs back on the States, whose resources are already stretched. Moreover, these programs are designed to reduce future losses that would have been catastrophic. In fact, in 1994, the Administration’s decision to cut pre-disaster mitigation grants which are given for pre-disaster mitigation and preparedness programs that are designed to prevent future losses. Instead of providing funding to states on a 75–25 ratio, the Administration would reduce the federal government’s share to 50 percent. Again, raises the burden on the States to fund these programs.

These two programs provide needed assistance to States and communities across the country that experience losses due to major disasters. The amount of money that would be saved by these proposed cuts is relatively small. I urge my colleagues to support this amendment and to restore funding authorization for these two worthy FEMA programs.

Mrs. MURRAY. Mr. President, the amendment Senator AKAKA and I have introduced today would restore funding for FEMA’s Project Impact and maintain the existing 75 percent Federal cost-share for hazard mitigation grants. The Murray-Akaka amendment does not increase funding; it would simply keep the same commitment the Federal Government has provided in previous years.

I would like to thank Senator AKAKA for his work on this important amendment. I would also like to thank Senators LIEBERMAN, EDWARDS, LINCOLN, CANTWELL, BOXER, REID, and MIKULSKI for cosponsoring the Murray-Akaka amendment.

On February 28 an earthquake measuring 6.8 on the Richter scale caused significant damage throughout western Washington State killing one person, injuring more than 400 people, and causing hundreds of millions of dollars in damage. It was a big scare. Everyone in western Washington has an earthquake story.

Some of the biggest stories involve a small program called Project Impact. My home State was very lucky the damage wasn’t worse. But communities in my State created some of their own luck by being prepared. I am proud to say the Federal Government was a good partner in those efforts. Project Impact is a pre-disaster mitigation program boosting awareness of how to prepare and lessen the damage from disasters. In Connecticut, for example, four cities have been included in this program: Westport, East Haven, Norwich, and Milford. Since Project Impact was new and still being implemented, it has not been evaluated; however, one of Project Impact’s strengths is providing funding directly to cities. Zeroing this program out without providing something in its place is “not prudent,” according to Governor Dan Fagan’s Department of Emergency Management. Moreover, the program helps FEMA to achieve its Strategic Goal 1, which seeks to protect lives and prevent the loss of property by implementing pre-disaster mitigation and preparedness measures. Project Impact is a key part of this effort.

The amendment would also reverse the Administration’s decision to cut the federal share of funding for hazard mitigation programs. Overall, my State of Connecticut would not increase any funding. It would simply keep the same commitment the Federal Government has provided in previous years.

I would like to thank Senator AKAKA for his work on this important amendment. I would also like to thank Senators LIEBERMAN, EDWARDS, LINCOLN, CANTWELL, BOXER, REID, and MIKULSKI for cosponsoring the Murray-Akaka amendment.

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The amendment would also reverse the Administration’s decision to cut the federal share of funding for hazard mitigation programs which are given for pre-disaster mitigation and preparedness.
program run by the Federal Emergency Management Agency. The premise is simple: in the 1990s, the Federal Government spent more than $20 billion responding to natural disasters. This sum doesn’t count the loss of loved ones. It doesn’t count the hardship Americans endured during the Natural Disaster Recovery.

Congress and the Clinton administration decided that simply responding to disasters wasn’t enough. We made the decision to invest in communities that wanted to invest in limiting the damage caused by natural disasters. That philosophy has translated into real life results through Project Impact. But just hours before the earthquake in Washington State, the budget blueprint produced by the Bush administration eliminated Project Impact. The blueprint dismissed Project Impact as ineffective.

As I toured the earthquake damage in the days after the earthquake, I was left wondering who the new administration was talking to when it reached that conclusion. The administration certainly didn’t speak with the City of Seattle. Seattle was one of the seven original Project Impact communities. Today, there are nearly 248 Project Impact communities in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

Two days after the earthquake, I toured Stevens Elementary School in Seattle. The current school building is one of the oldest in all of Seattle public Schools. The teachers and students practice constantly for earthquakes. Stevens Elementary is one of the 46 Seattle schools that have had overhead hazards removed. In this case, I saw how Project Impact dollars were used to drain an overhead water tank and to secure the tank so it wouldn’t fall through a classroom ceiling and onto students during an earthquake. In other Seattle schools, Project Impact dollars have been used to retrofit disaster-proof rooms. This involves tying down computers and strapping televisions to ensure they don’t fall during an earthquake.

As parents and grandparents, we want to know that our children are safe when they are at school. Project Impact has allowed many communities to make sure that more of their students will be safe when natural disasters strike. Washington State has five Project Impact communities and the communities partner with local businesses and organizations to educate homeowners and professionals about home retrofitting, to do hazard mapping, to set-up better communications systems for disaster situations, to disaster-proof sidewalks, and to help businesses prepare for disasters. These actions are effective. These actions save lives and property and businesses.

The amendment I offer today restores Project Impact funding for fiscal year 2002 and fiscal year 2003. Funding Project Impact for the next 2 years will allow us to better evaluate its success.

Last year, Congress passed legislation to authorize a pre-disaster mitigation program. If Project Impact is not meeting the nation’s needs for such a program, we will have the next 2 years to develop a program that will meet our goals.

The Bush administration recommended other budget cuts for FEMA as well. I am especially concerned the administration’s budget would reduce the Federal cost-share for hazard mitigation grants from 75 percent to 50 percent. Communities covered by a Federal disaster declaration can access hazard mitigation grants to repair or replace damaged public facilities and infrastructure. These grants help to ensure that future disasters will not cripple critical facilities infrastructure and services. The grants allow communities to make the investments when they are most likely to be effective. If the federal cost-share falls from 75 percent to 50 percent cash-strapped States and localities will not be able to afford to use these grants. This means more lives will be lost, more jobs and businesses will be lost after a disaster, and more Federal spending will be needed to pick up the pieces when the next disaster strikes.

The amendment I am offering will fix this cost-share problem and will restore Project Impact, so that communities across America can take steps today to prevent damage tomorrow. I urge my colleagues to support this important legislation.

Mr. DOMENICI. As modified, this also is budget neutral and we are willing to accept it.

Mr. CONRAD. Mr. President, we support this amendment on this side as well.

The PRESIDING OFFICER. The question is on agreeing to the Murray amendment, No. 231, as modified.

The amendment (No. 231), as modified, was agreed to.

Mr. BING. Mr. President, I thank the managers for the efficient way they have been handling business. Last night in wrap-up, they passed amendment No. 210 which dealt with restoring money for critical health programs and graduate medical education at community health centers. I ask unanimous consent Senator HOLLINGS, DeWINE, KENNEDY, FEINSTEIN, Smith of Oregon, KERRY, and DODD be added as cosponsors to Bond amendment No. 210. The PRESIDING OFFICER. The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. May I be added as a cosponsor?

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

Mr. CONRAD. Mr. President, I would like to be listed as a cosponsor on the Kerry-Bond amendment No. 183 of which we have just disposed. I ask unanimous consent to be shown as an original cosponsor.

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

AMENDMENT NO. 285 WITHDRAWN

Mr. ALLEN. I send to the desk amendment No. 285.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN] proposes an amendment numbered 285.

Mr. ALLEN. Mr. President, I ask unanimous consent that the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide for an Education Opportunity Tax Relief.)

(a) In General.—In the Senate and the House, the Chairmen of the Committees on the Budget may reduce the spending and revenue aggregates and may revise committee allocations for legislation that is reported by the Senate Committee on Finance and the House Committee on Ways and Means, respectively, that reduces tax liabilities for parents of primary and secondary education students to increase access to K through 12 education-related opportunities and improve the diversity of their children’s education experience, especially with regards to, but not limited to, expenses related to the purchase of home computer hardware, education software, and Internet access, and for expenses related to tutoring services.

(b) Limitation.—The Chairmen shall not make adjustment authorized in this section if legislation described in subsection (a) would cause an on-budget deficit when taken with all other legislation enacted for—

(1) the current fiscal year;

(2) the period of fiscal years 2002 through 2006; or

(3) the period of fiscal years 2002 through 2011.

(c) Budgetary Enforcement.—Revised allocations and aggregates under subsection (b) shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

Mr. ALLEN. This amendment is an amendment to empower parents in education spending, especially if they have children in kindergarten through 12, in purchasing technology such as computers, educational software, Internet access, and tutor funding—but not tuition. The amendment had some problems on the other side of the aisle. This amendment was never intended to allow a tax credit for tuition.

I very much appreciate the work of the staff of Senator DOMENICI and the folks with Finance. I appreciate workshopping, and that reduces tax liabilities for parents of primary and secondary education students to increase access to K through 12 education-related opportunities and improve the diversity of their children’s education experience, especially with regards to, but not limited to, expenses related to the purchase of home computer hardware, education software, and Internet access, and tutoring services—but not tuition. The amendment had some problems on the other side of the aisle. This amendment was never intended to allow a tax credit for tuition.
supported by the technology community, and it also helps bridge the divide to make sure that all children have computers at home or make it more affordable to have computers at home and access information on the Internet. Again, it should not be used for tuition.

Mr. DOMENICI. I thank the distinguished Senator from Virginia, Mr. ALLEN. The way he has worked on this, it is obvious this is not the last we will hear of it. From this Senator’s standpoint, I hope we will hear more about it.

Mr. ALLEN. I ask unanimous consent to withdraw my amendment for another day on the tax committee, and hopefully they will have this for parents and education spending and technology for our youngsters across our Nation.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. ALLEN. Without objection, it is so ordered.

Mr. DOMENICI. 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. DOMENICI. Mr. President, I understand Senator CLINTON wants to comment on the amendment adopted in her behalf.

The PRESIDING OFFICER. The Senator from New York.

AMENDMENT NO. 223, AS MODIFIED

Mrs. CLINTON. Mr. President, I rise to thank the chairman and ranking member of the Budget Committee for accepting an amendment that I believe is so important to safeguard the food supplies in our country and thereby safeguard our children from the growing threat of contamination.

Presently we enjoy one of the most safe food supplies in the world, but we are clearly not immune to the threats we read about every day in our newspapers.

I saw a recent headline in the New York Times that the public does have reason to be alarmed. The Times reported that there are only 400 inspectors to investigate problems at the 57,000 facilities in our country. Because of this lack of resources, the FDA inspects food manufacturers only once every 8 years. The American people deserve better than that. So this important measure will strengthen our food safety infrastructure by increasing the number of FDA inspectors so high-risk sites can be inspected annually and would also step up research and surveillance to identify the sources of contamination and track the incidence of foodborne illnesses to help us better meet emerging threats from abroad.

Finally, it would protect against cuts in funding for the Department of Health and Human Services and Department of Agriculture food safety initiatives and ensure sufficient funds in the cases of threats from food safety emergencies.

I am very pleased the administration changed its announced policy yesterday about testing the ground meat in our Nation’s schools. I thank them for that reversal because clearly there is nothing more important than providing our children with safe food, and particularly in our schools. I am very pleased that in a bipartisan way we have adopted this amendment which I think will go a long way towards easing the concerns and fears of so many parents in ensuring a safe food supply for generations to come.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

AMENDMENT NO. 253, AS MODIFIED

Mr. DOMENICI. Mr. President, we are prepared to call up amendment 253, Senator LINCOLN’s amendment. We ask unanimous consent it be in order to modify the amendment and send a modification to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mrs. DOMENICI), for Mrs. LINCOLN, for herself, Mr. CONRAD, Mr. LEAHY, and Ms. LANDRIEU, proposes an amendment numbered 253, as modified.

Mr. DOMENICI. I ask unanimous consent the record of the amendment be dispensed with.

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

The amendment is as follows:

On page 16, line 12, increase the amount by $4,000,000,000.

Mr. DOMENICI. We have no objection to the amendment. It is budget neutral.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. We support the amendment on this side as well.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 253) as modified, was agreed to.

Mr. CONRAD. Mr. President, I ask unanimous consent Senator LANDRIEU and myself be added as original cosponsors on the previously considered Lincoln amendment.

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

AMENDMENTS NOS. 205, 207, 209 EN BLOC

Mr. CONRAD. Mr. President, I send three amendments to the desk on behalf of Senator BYRD. I ask they be considered en bloc.

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

The legislative clerk read as follows:

The Senator from North Dakota (Mr. CONRAD) for Mr. BYRD, proposes amendments 205, 207, 209 en bloc.

Mr. CONRAD. I ask unanimous consent the reading of the amendments be dispensed with.

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

The amendments (nos. 205, 207, and 209) en bloc are as follows:

AMENDMENT NO. 205

(Purpose: Increase discretionary education funding by $100,000,000 to improve the teaching of American History in America’s public schools)

On page 4, line 17, increase the amount by $55,000,000.

On page 4, line 18, increase the amount by $20,000,000.

On page 5, line 8, decrease the amount by $55,000,000.

On page 5, line 9, decrease the amount by $20,000,000.

On page 5, line 21, decrease the amount by $55,000,000.

On page 5, line 22, increase the amount by $20,000,000.

On page 6, line 9, increase the amount by $55,000,000.

On page 6, line 10, increase the amount by $20,000,000.

On page 27, line 3, increase the amount by $100,000,000.

On page 27, line 4, increase the amount by $25,000,000.

On page 27, line 8, increase the amount by $55,000,000.

On page 27, line 12, increase the amount by $20,000,000.

On page 43, line 15, increase the negative by $100,000,000.

On page 43, line 16, increase the negative by $25,000,000.

On page 48, line 8, increase the amount by $100,000,000.

On page 48, line 9, increase the amount by $25,000,000.

AMENDMENT NO. 207

(Purpose: To increase investments in Fossil Energy Research and Development for Fiscal Year 2002)

On page 4, line 17, increase the amount by $60,000,000.

On page 4, line 18, increase the amount by $30,000,000.

On page 5, line 8, decrease the amount by $60,000,000.

On page 5, line 9, decrease the amount by $30,000,000.

On page 5, line 21, increase the amount by $60,000,000.

On page 5, line 22, increase the amount by $30,000,000.

On page 6, line 9, increase the amount by $60,000,000.

On page 6, line 10, increase the amount by $30,000,000.

On page 46, line 5, increase the amount by $150,000,000.

On page 16, line 6, reduce the negative amount by $60,000,000.

On page 16, line 9, reduce the negative amount by $90,000,000.

On page 16, line 12, reduce the negative amount by $30,000,000.

On page 43, line 15, increase the negative amount by $150,000,000.
Mr. BYRD. Mr. President, my amendment to the budget resolution would add $100 million in Fiscal Year 2002 to Function 500 (Education). This increased funding will allow for the continuation of an American history grant program that I initiated last year. This program is designed to promote the teaching of history as a separate subject in our nation's schools. An unforeseen trend of blending history with a variety of other subjects to form a hybrid called social studies has taken hold in our schools. Further, the history books provided to our young people, all too frequently, gloss over the finer points of America's past. My amendment provides incentives to help spur a return to the teaching of traditional American history.

Every February our nation celebrates the birth of two of our most revered leaders—George Washington, the father of our nation, who victoriously led his ill-fitted assembly of militiamen against the armies of King George, and Abraham Lincoln, the eternal martyr of freedom, whose powerful voice and actions inspired a divided nation toward a more perfect Union. Sadly, I fear that many of our nation's school children may never fully appreciate the lives and accomplishments of these two American giants of history. They have been robbed of that appreciation by schools that no longer stress a knowledge of American history. In fact, study after study has shown that the historical significance of our nation's grand celebrations of patriotism—such as Memorial Day or the Fourth of July—are lost on the majority of young Americans. What a waste. What a shame.

An American student, regardless of race, religion, or gender, must know the history of the land to which they pledge allegiance. They should be taught about the Founding Fathers of this nation, the battles that they fought, the ideals that they championed, and the enduring effects of their accomplishments. They should be taught about our nation's failures, our mistakes, and the inequities of our past. Without this knowledge, they cannot appreciate the hard won freedoms that we enjoy today.

Our failure to insist that the words and actions of our forefathers be handed down from generation to generation will ultimately mean a failure to perpetuate this wonderful experiment in representative democracy. Without the lessons learned from the past, how can we ensure that our nation's core ideals—life, liberty, equality, and freedom—will survive? As Marcus Tullius Cicero stated, "...to be ignorant of what occurred before you were born is to remain always a child. For what is the worth of human life, unless it is woven into the life of our ancestors by the record of history?"

I am not the only one who recognizes the importance of teaching American history. Many groups are interested and have expressed support for this grant program. Representatives from the National Council for History Education, the National Coordinating Committee for the Promotion of History, the American Historical Association, and National History Day have all expressed enthusiasm for this grant program. They are very supportive of this effort.

So, for those reasons, I offer this amendment to the budget resolution to increase Function 500 (Education) by $100 million in Fiscal Year 2002.
Consequently, when I hear these statements, I come away thinking that this administration is truly committed to increasing our supply of domestic energy. I was heartened by these comments because I believed they meant that the President and the Secretary would understand that the only way we were going to get more supply is through the use of newer and better technology. And, the only way we can get better technology is through the kind of investments in research and development being done by the Department of Energy.

I regret to say, however, that I may have been wrong. I may have overestimated the administration’s commitment to increasing domestic energy supplies, particularly if those increases do not come easily or cheaply. The Budget Blueprint does not appear to include the increases in supply that the President and the Secretary say we need. Why? Because, in its budget plan, the White House has drastically pulled back from a whole-hearted dedication to research and development.

The proposed budget for the Department of Energy’s Office of Fossil Energy would underfund—severely underfund—many of our most important, and most urgent, fossil energy research programs. It is true that the President will carry through on his promise of proposing $2 billion over the next ten years for the Clean Coal Technology program, a program that was conceptualized and pushed through by this Administration. But, the fiscal year 2002 budget is even below the level of funding that was originally proposed in the Five-Year Plan. This does not bode well for the future and it is a true mystery why the Bush administration would want to reduce the level of investment in clean coal technology.

The Bush administration is also looking at how to reduce funding for the Energy Technology account. . . .'' How is one to reconcile this inconsistency? On the one hand, the Administration says we need more domestic energy. That is a fact we already know. The President knows it, the Secretary of Energy knows it, and, I suspect, the people of California now know it. Adoption of my amendment will be the first step in ensuring that this nation has the energy it needs. I urge my colleagues to support this amendment so that we can get about the task of ensuring that we can get about the task of ensuring that what is happening in California does not spread throughout the United States.

Mr. BYRD. Mr. President, I am today offering an amendment to the Senate Budget Resolution for fiscal year 2002 that will increase domestic discretionary spending for energy and wastewater programs. In all parts of the nation, there are men, women, and children who live every day without the basic necessities of clean, safe, drinking water or sanitary wastewater disposal means the nearest ditch. America is greater than that.

In 1997, the Environmental Protection Agency released a report on unmet wastewater improvement needs in rural areas of this country. That document found that for rural areas and communities of 10,000 or less, the total unmet need is nearly $48 billion. Of that total, $33.5 billion has been identified as an immediate need. Even with the response that we might learn that the costs necessary to correct these sad conditions have seriously increased.

In February of this year, the EPA issued a new report on the state of drinking water systems across America. That document finds that for rural areas and communities of 10,000 or less, the total unmet need is nearly $48 billion. Of that total, $33.5 billion has been identified as an immediate need. Even with the response that we might learn that the costs necessary to correct these sad conditions have seriously increased.

As of last month, the Rural Utilities Service at the Department of Agriculture had a backlog of applications from every state and 100 communities with populations less than 10,000 to help establish, expand, or upgrade water and wastewater systems in all states. This program is one of the most successful of all federal programs. It has, perhaps, the best loan default rate within the federal government, it provides a competitive edge either economic development, and it helps combat poor living conditions with which many Americans have to face day-in and day-out.

The United States Department of Agriculture administers a program through its Rural Utilities Service that provides loans and grants to rural communities with populations less than 10,000 to help establish, expand, or upgrade water and wastewater systems in all states. This program is one of the most successful of all federal programs. It has, perhaps, the best loan default rate within the federal government. I urge my colleagues to support this amendment so that we can get about the task of ensuring that we can get about the task of ensuring that what is happening in California does not spread throughout the United States.

Mr. President, I am today offering an amendment to the Senate Budget Resolution for fiscal year 2002 that will increase domestic discretionary spending for energy and wastewater programs. In all parts of the nation, there are men, women, and children who live every day without the basic necessities of clean, safe, drinking water or sanitary wastewater disposal means the nearest ditch.
of government that go straight to the basic fabric of the social contract, and helping provide all Americans with the basic necessities of life is paramount among them. My amendment supports this noble role of government, and I ask all Senators to join me in its passage.

Mr. DOMENICI. Mr. President, we have no objection to the amendments being adopted en bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to en bloc.

The amendments (Nos. 205, 207, 209) en bloc were agreed to.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 317

Mr. DOMENICI. Mr. President, we call up amendment 317.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for Mr. GRAHAM, and Mrs. HUTCHISON, proposes an amendment numbered 317.

The amendment is as follows:

(Purpose: To extend the Temporary Assistance for Needy Families (TANF) Supplemental Grants for fiscal year 2002)

On page 4, line 2, increase the amount by $319,000,000.

On page 4, line 16, increase the amount by $80,000,000.

On page 4, line 17, increase the amount by $25,000,000.

On page 4, line 18, increase the amount by $25,000,000.

On page 4, line 19, increase the amount by $25,000,000.

On page 4, line 20, increase the amount by $25,000,000.

On page 4, line 21, increase the amount by $25,000,000.

On page 4, line 22, increase the amount by $25,000,000.

On page 4, line 23, increase the amount by $25,000,000.

On page 5, line 1, increase the amount by $25,000,000.

On page 5, line 2, increase the amount by $25,000,000.

On page 5, line 7, decrease the amount by $80,000,000.

On page 5, line 8, decrease the amount by $25,000,000.

On page 5, line 9, decrease the amount by $25,000,000.

On page 5, line 10, decrease the amount by $25,000,000.

On page 5, line 11, decrease the amount by $25,000,000.

On page 5, line 12, decrease the amount by $25,000,000.

On page 5, line 13, decrease the amount by $25,000,000.

On page 5, line 14, decrease the amount by $25,000,000.

On page 5, line 15, decrease the amount by $25,000,000.

On page 5, line 16, decrease the amount by $25,000,000.

On page 32, line 15, increase the amount by $319,000,000.

On page 32, line 16, increase the amount by $319,000,000.

On page 32, line 20, increase the amount by $25,000,000.

On page 32, line 24, increase the amount by $25,000,000.

On page 33, line 3, increase the amount by $25,000,000.

On page 33, line 7, increase the amount by $25,000,000.

On page 33, line 11, increase the amount by $25,000,000.

On page 33, line 15, increase the amount by $25,000,000.

On page 33, line 19, increase the amount by $25,000,000.

On page 33, line 23, increase the amount by $25,000,000.

On page 34, line 3, increase the amount by $25,000,000.

Mr. DOMENICI. Mr. President, this Graham amendment numbered 317 is cosponsored by Senator HUTCHISON of Texas.

I understand that Senator HUTCHISON is here on the floor, and he would like to share part of the discussion on the affirmative side.

The PRESIDING OFFICER. The Senator from Arkansas, Mr. HUTCHISON. Mr. President, I applaud Senator KAY BAILEY Hutchison of Texas for her leadership and for her aggressive work on this amendment, also Senator BOB GRAHAM of the State of Florida, who has done such great work.

This amendment extends for fiscal year 2002 the supplemental grants for rapidly growing States under the Temporary Assistance for Needy Families program. These States include Arkansas, Florida, Texas, and about 14 other States that are dramatically impacted by this situation, of which receive lower levels of block grant funding per child than other States.

The TANF program was created back in 1996 to provide States with flexible block grants to meet the needs of low-income families trying to get off traditional welfare roles. The program has worked well. It has been successful.

Flexibility with this funding is vital to support low-income individuals and families and keep them in the workplace.

These supplemental grants are set to expire. Unless we do something, it is going to dramatically negatively impact these States.

The child poverty rate in the States affected is 19% percent—a quarter above the child poverty rate in other States.

These supplemental grants are very important. They need to be extended.

I think this has bipartisan support. I appreciate Senator HUTCHISON allowing me to speak on behalf of this amendment.

Mr. GRAHAM. Mr. President, I applaud my colleague from Arkansas for the very excellent description that he gave.

Essentially, we are asking for a 1-year bridge between the time that these supplemental funds will expire in the fall of 2001 and the time that we realign the total Welfare-to-Work Program in 2002.

It is a very important amendment for those States that already start off getting the least amount of funding to meet their welfare-to-work requirements. Because of the growth in low per-capita income, they are particularly in need of this support. Congress recognized that it would continue the program until we realign Welfare-to-Work.

Mr. DOMENICI. Mr. President, there is nothing further on our side to be added.

The PRESIDING OFFICER. Without objection, the amendment is agreed to. The amendment (No. 317) was agreed to.

Mr. DOMENICI. I thank both Senators for their cooperation.

Mr. President, I say to the ranking Member that Senator SCHUMER still has an issue.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. 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. DOMENICI. Mr. President, we understand that Senator STABENOW is next in line, and we understand that she is going to talk about an amendment and withdraw it when she is finished.

Ms. STABENOW. That is correct.

Mr. DOMENICI. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 313

Ms. STABENOW. Mr. President, I rise today with an amendment that I wish we were able to pass at this moment. I realize the votes are not here. But in order to demonstrate grave concern on this side of the aisle about what is happening to the Medicare trust fund, I submit with Senator BOB GRAHAM, a leader on this issue, an amendment that would protect the Medicare Part A trust fund by raising a point of order on the process, and hopefully it will be put into place before we are finished with this budget resolution.

It is supported by the American Health Care Association, and the American Hospital Association.

I ask unanimous consent that two letters in support be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:


Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: On behalf of the 12,000 non-profit and for-profit nursing facility, subacute, assisted living, and ICF/MR providers represented by the American Health Care Association nationwide, I am writing to strongly support your amendment to the FY 2002 Budget Resolution.

Your amendment to require a 60-vote majority in the Senate to approve new programs that tap into the Medicare Part A
trust fund is critical to protecting the trust fund from new spending programs that would threaten its viability. As we saw from the bankruptcies that followed the BBA of 97, funding levels for skilled nursing facility patients cannot withstand additional cuts to the program that may be forced if additional benefits are financed out of the HI trust fund.

Furthermore, only the way to ensure the adequate financing of all of our laudable programs is to increase funding to Medicare Part A.

The approximately 2 million Medicare residents who receive skilled nursing care in our homes every year depend on the solvency of the program. The skilled nursing and rehabs are often the difference between life and death for our patients.

Your amendment is critical to “keeping the promise” our country made to the seniors we care for.

Sincerely,

WILLIAM R. ABRAMS,
Chief Operating Officer.

AMERICAN HOSPITAL ASSOCIATION,

Hon. Bob Graham,
U.S. Senate,
Washington, DC.

Dear Senator Graham:

On behalf of the American Hospital Association (AHA), I would like to express our strong support of your amendment to H. Con. Res. 83, the fiscal year budget resolution, that would increase the “super majority” of 60 votes in the Senate in order to spend Hospital Insurance (HI) Trust Fund dollars for non-Part A services.

The AHA represents nearly 5,000 hospitals, health systems, networks and other health care provider members.

The Medicare program is expected to experience very rapid growth over the next decade as our nation’s 78 million “baby boomers” begin to retire. The Part A Trust Fund, which is supported by a payroll tax, is projected to see its obligations exceed its income by 2015, and its assets could be exhausted by 2029.

We believe that the Part A Trust Fund should be used for the purpose for which it was intended: to provide beneficiaries with the highest quality hospital acute care services. Congress must be careful not to dilute the trust fund or divert dollars currently in the trust fund for other purposes. It is imperative that we provide legislation that accelerates the insolvency of the Medicare Part A Trust Fund. We need to ensure that Medicare Part A services are there when our seniors need them.

Since its inception, the Medicare program has ensured seniors access to high quality, affordable health care. It is incumbent upon all of us to ensure that the program is preserved, protected and strengthened for future generations.

Sincerely,

RICK POLLACK
Executive Vice President.

Ms. STABENOW. Mr. President, we have been trying all week to pass a prescription drug plan under Medicare to update it. We don’t support raiding it, which is what is happening now. We need to be putting in place prescription drug coverage under Medicare. It came before this body on Tuesday with a 50–50 vote. Unfortunately, the tie vote was not cast. Instead, we now find ourselves in a situation where Medicare is being used as a contingency fund.

This is not the direction in which the American people wish us to go. We need to be strengthening and updating Medicare, not dipping into it and spending it as part of a contingency fund.

Unfortunately, with the President’s budget and tax cut combined, it is impossible to see what has been suggested without using the Medicare trust fund. That is my concern.

The message that the American people want us to send loudly and clearly is that we need to update Medicare. We need to strengthen it. We don’t need to raid it. We need not update it, not raid it. I am very hopeful that this will be the goal and the ultimate conclusion.

I know that is what we have been fighting for on this side of the aisle since this budget process began.

I yield the time and ask unanimous consent that the amendment be withdrawn.

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

Mr. DOMENICI. Mr. President. I want everybody in the Senate to know that I don’t have a sign. I can’t put up a sign about our position. But I want everyone to know that we are as concerned about not spending the Medicare Part A trust fund as anybody. Republicans don’t take a backseat on that issue. This budget does not spend any of the funds that are being alluded to. So the sign could be placed on our side of the aisle, and we would agree with it.

Actually, I don’t think we need to explain our position. We will just do it with our words. We don’t need the amendment. It has been withdrawn. Frankly, the budget takes care of that problem. The Republicans are united.

I yield the floor at this point and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, I advise my colleagues that while we are waiting for some additional amendments to arrive that are being redrafted in compliance with our agreement, the Senator from Louisiana would like to talk for just 3 minutes with respect to an issue in which she has been deeply involved.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. I thank the Chair and the Senator from North Dakota.

Mr. President, I commend the Senators from New Mexico and North Dakota for their extraordinary management skills in helping to bring us to the final point of this week-long debate on their patience in working with each Member on issues that are so important to us and to our States.

While the staff is working on some details of some of the last few amendments that need to be offered, I thought I would make mention of one particular tax cut that is so widely supported on both sides of this aisle and something on which a group of us have worked now for about 2 years. I am hoping the language will be included in the final negotiations and that has to do with the tax credit for adoption.

It is a tax credit that is really one of the smallest calls on the tax cut, on the budget in terms of the dollar amount. It is small, but it goes a long way because it helps families who are trying to open up their homes and have opened up their hearts, to adopt a child—either an infant or a toddler or an older child; either a child through a traditional adoption through an agency in the United States or the adoption of that it works for foster care. And we have seen that number increase substantially, which is really wonderful—or it helps us find homes for the more than 100,000 children in foster care who deserve so much to have a home and a family to call their own.

I want to take a moment while we have some time to congratulate the leaders of the House. I understand there are 275 cosponsors in the House of Representatives for this particular tax cut or tax relief.

There are many good ways to give Americans tax relief. We have heard that debate now on this floor—from the marriage penalty relief, to marginal tax relief, which is the estate tax relief or reform—but I want to take a moment to thank Senators and House Members who continue to speak out for this adoption tax credit—to extend it, to double it, and to fix it so that it works for foster children and so that we give families a broad choice, if they have made that terrific decision to adopt children, to help them with those initial expenses, which can be quite high.

I think, there are families who, as you know, travel to many parts of the world, and not only are there expenses associated with the agencies or the attorneys or facilitators with whom they are working but also there are the travel expenses.

So this $10,000 tax credit we are proposing—it is $5,000 now, and we propose to double it, extend it, and make it work, which was the original intent of this law, for children instead of foster care. It is something we have debated this week and will continue to debate.

I know Senator GRASSLEY, the chairman of the committee, Senator Baucus, our ranking Democrat BREARLEY, and others have expressed an interest in being able to include this particular item in the tax package that is finally passed. I know there are many families in Louisiana, in Georgia, the State of the President’s physician, and in all of our States who would welcome our fixing, extending, and doubling this tax credit because it can
make the difference in finding a child a home who perhaps would never otherwise be able to find one and helping those parents with at least some of the expenses associated with the cost of raising children today.

So it is very hopeful. There is no amendment pending, but there is language that hopefully will be included in this final package.

I thank the managers for giving me time to talk about this important issue. This is an important amendment to the great support in the House of Representatives—by both Republicans and Democrats—for this particular tax credit.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, awhile ago I spoke in opposition to the amendment Senator GATHE had originally offered that I believe the Senator from Michigan withdrew a while ago. I am not sure when I spoke in opposition to it that I had the microphone on. If you wouldn’t mind, may I remake that statement for 30 seconds. When I spoke previously, I wasn’t sure we were heard, which was my fault, no one else’s.

There was a sign up on that amendment with reference to Medicare that we want to make sure we don’t take anything out of Medicare and spend it on anything else or use it for tax cuts. I said: We don’t have a sign. All we can do is use our words.

I repeat them: There is nothing in this budget that we intend to in any way spend Medicare money on other than Medicare. That has been our commitment; that will remain our commitment. We will not spend Medicare money on anything other than Medicare. We won’t violate that at any time in this budget.

Frankly, I will repeat it every time we have an opportunity. Those supporting this budget, when we finish tonight, need not have any fear that we are going to in any way minimize the totality of that Medicare fund. It will be there.

With that, I am prepared to move on to another amendment.

I thank the Chair.

AMENDMENT NO. 303

Mr. DOMENICI. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. BINGAMAN, for himself, Mr. THOMAS, Mr. BAUCUS, Mr. ENZI, Mr. JOHNSON, Mr. DOMENICI, and Mr. CONRAD, proposes an amendment numbered 303.

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

The amendment is as follows:

(Purpose: To establish a reserve fund for permanent, mandatory funding for Payments In Lieu of Taxes and Refuge Revenue Sharing)

Insert at the appropriate place the following:

SEC. 5. RESERVE FUND FOR PAYMENTS IN LIEU OF TAXES AND REFUGE REVENUE SHARING.

If the Committee on Energy and Natural Resources of the Senate reports a bill, or an amendment thereto, is offered, or a conference report thereon is submitted, that provides full, permanent, mandatory funding for Payments In Lieu of Taxes for entitlement laws under chapter 69 of title 31, United States Code and for Refuge Revenue Sharing, the chairman of the Committee on the Budget of the Senate may increase the aggregates, functional totals, allocations and other appropriate levels and limits in this resolution by up to $8,000,000,000 in new budget authority and outlays for fiscal year 2002 and $3,700,000,000 in new budget authority and outlays for the period of fiscal years 2002 through 2011, provided that such legislation will not, when taken together with all other permanent, mandatory budget authority and outlays for the on-budget surplus below the level of the Medicare Hospital Insurance Trust Fund surplus in any fiscal year provided in this resolution.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I be made a cosponsor of the amendment, as well as Senator CONRAD.

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

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, Senators THOMAS, BAUCUS, ENZI, and JOHNSTON are also cosponsors of the amendment.

I thank my colleague for his strong support for this effort, as well as Senator CONRAD.

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

The Senator from New Mexico.

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On page 3, line 8, increase the amount by $8,000,000,000.
On page 3, line 16, decrease the amount by $6,000,000,000.
On page 3, line 17, decrease the amount by $6,000,000,000.
On page 3, line 18, decrease the amount by $7,000,000,000.
On page 3, line 19, decrease the amount by $7,000,000,000.
On page 3, line 20, decrease the amount by $8,000,000,000.
On page 3, line 21, decrease the amount by $8,000,000,000.
On page 3, line 22, decrease the amount by $8,000,000,000.
On page 4, line 5, increase the amount by $6,000,000,000.
On page 4, line 6, increase the amount by $6,000,000,000.
On page 4, line 7, increase the amount by $7,000,000,000.
On page 4, line 8, increase the amount by $7,000,000,000.
On page 4, line 9, increase the amount by $8,000,000,000.
On page 4, line 10, increase the amount by $8,000,000,000.
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On page 4, line 19, increase the amount by $6,000,000,000.
On page 4, line 20, increase the amount by $6,000,000,000.
On page 4, line 21, increase the amount by $7,000,000,000.
On page 4, line 22, increase the amount by $7,000,000,000.
On page 4, line 23, increase the amount by $8,000,000,000.
On page 5, line 1, increase the amount by $8,000,000,000.
On page 5, line 2, increase the amount by $8,000,000,000.
On page 29, line 10, increase the amount by $6,000,000,000.
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On page 29, line 14, increase the amount by $6,000,000,000.
On page 29, line 15, increase the amount by $6,000,000,000.
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On page 29, line 19, increase the amount by $7,000,000,000.
On page 29, line 22, increase the amount by $7,000,000,000.
On page 29, line 23, increase the amount by $7,000,000,000.
On page 30, line 2, increase the amount by $8,000,000,000.
On page 30, line 3, increase the amount by $8,000,000,000.
On page 30, line 6, increase the amount by $8,000,000,000.
On page 30, line 7, increase the amount by $8,000,000,000.
On page 30, line 10, increase the amount by $8,000,000,000.
On page 30, line 11, increase the amount by $8,000,000,000.
On page 30, line 15, increase the amount by $2,600,000,000.
On page 32, line 15, increase the amount by $2,600,000,000.
On page 43, line 15, decrease the amount by $2,600,000,000.
On page 43, line 16, decrease the amount by $2,600,000,000.
Mr. DOMENICI. Mr. President, this is budget neutral.

Mr. CONRAD. The Senator is correct. I also would like to be shown as an original cosponsor, if I might. I ask unanimous consent for that.

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

Mr. CONRAD. Mr. President, if I might indicate to the chairman, we have one amendment on our side, the Graham-SBG amendment. It is being modified in accordance with the request of the other side. As I understand it, the Senator is on his way to the floor with that amendment. That would bring us even closer to conclusion.

Mr. DOMENICI. The Senator is correct. 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. DOMENICI. 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. DOMENICI. Mr. President, I understand that on the Bingaman LIHEAP amendment we did not complete action; is that correct?

The PRESIDING OFFICER. The Chair informs the Senator that is correct.

Mr. DOMENICI. We have no objection on this side.

Mr. CONRAD. We have no objection on this side. In fact, we support it on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 302), as modified, was agreed to.

Mr. CONRAD. Mr. President, we modified the amendment. Now we need to move to consideration of the amendment.

The PRESIDING OFFICER. It was adopted. It has been agreed to.

Mr. CONRAD. I thank the Chair.

Mr. DOMENICI. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 316, AS MODIFIED

Mr. CONRAD. Mr. President, our final amendment on this side is an amendment from the Senator from Florida. If we can go to that amendment, we will be very close to completing amendments on this side.

Mr. DOMENICI. I ask the distinguished Senator has been modified the amendment so it is budget neutral?

Mr. GRAHAM. It is. We made that modification.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, briefly, this amendment fulfills a commitment that the Congress made in 1996 to the States upon the adoption of Welfare-to-Work, and that is that we would support the Social Services Block Grant Program which is a program within Social Security which has provided for a number of important programs that have assisted people on welfare, getting to work, and particularly child care program, support, Senator Lott, Senator Daschle, and other distinguished Senators, were gracious enough to make a commitment to bring this legislation to the Finance Committee, on which they both serve, and to the Senate floor, during this session.

Senator from Texas, and my colleague from Delaware, Senator Biden, are correct. Last session we made a promise to consider legislation today, as we are considering the budget resolution, that will set our priorities for this year’s session of Congress.

Last December, on the very last day of the last session, I took the floor to discuss identical legislation with Senator Lott, Senator Daschle, and other distinguished Senators. We were gracious enough to make a commitment to bring this legislation to the Finance Committee, on which they both serve, and to set our priorities for this year’s session of Congress.

While we could not get this done last year, we got the next best thing: the word of our leaders, on both sides of the aisle that this legislation would be on their list of priorities for this year. So as we discuss our priorities in this budget resolution, it is important to hear from them that the High Speed Rail Investment Act is still on that list.

I yield to Senator Hutchinson, who has done so much to promote rational, efficient surface transportation in this country, including the indispensable component of passenger rail.

Mrs. Hutchison. I thank the Senator from Texas. Mr. President, I ask our colleagues, including our distinguished Chair, to support the amendment to the resolution, which will set our priorities for this year. It is important to make it clear, on the record, that our determination to pass the High Speed Rail Investment Act this year, as soon as possible, is as strong as ever.

Virtually all of our key modes of transportation are under stress today. From our overcrowded highways to our packed airports, we are losing billions of dollars in wasted time just trying to get to where we need to go. And lying right alongside those crowded highways, running right past those overcrowded airports, are neglected rail lines that could be carrying passengers between our nations cities.

That is why so many Senators have already joined us in support of our legislation, and that is why the nation’s governors, mayors, state legislators, and many others support us, as well.

I ask our leaders directly if this budget resolution, which establishes the overall priorities for this session of the Senate, makes room for the commitment they made here on the floor last year.

Does the distinguished minority leader care to respond?

Mr. Daschle. I will be happy to respond to my good friend, the distinguished Senator from Texas, and my colleague from Delaware, Senator Biden, are correct. Last session we made a promise to consider legislation...
to provide Amtrak with the authority to issue tax credit bonds for capital improvements. This bonding authority is critical to Amtrak’s future and to the economic health of the Northeast and many other areas of the country.

Last year I was asked by the members of my caucus. We had a very spirited discussion on the morning of December 15, and I know how strongly they support Amtrak and this legislation. We kept our promise and re-introduced this praiseworthy legislation earlier this year and 51 original co-sponsors. Amtrak supporters will not give up on passing it and we promised to help them accomplish this task. I yield the floor to the majority leader.

Mr. LOTT. Mr. President, I thank the Democratic leader and praise his commitment and dedication to this issue. I am honored to be working with him, and my other colleagues, on strengthening our national rail passenger system. I have been an active supporter, and was involved as much as we could, supporting legislation 20 years ago when we passed the Amtrak legislation. I think we need it.

Now, I must confess one of the reasons I think we need it is I want us to have good service, not just in the Northeast corridor but everywhere. California has six independent children’s hospitals across the State. These hospitals provided state-of-the-art care and conduct ground breaking research to make life better for our children. Equally important, these teaching hospitals train future pediatricians. With the closure of necessary children’s hospitals in my State will be unable to train pediatricians to provide the care and conduct the research necessary to improve the quality of life for some of California’s sickest children. These relatively independent hospitals have provided indispensible role in our children’s care, serving as centers of excellence in pediatric medicine and as a major piece of the pediatric health care safety net.

I ask the Senator from Missouri if he has anything he would add at this point.

Mr. BOND. Mr. President, I thank Senator FEINSTEIN for her comments. Our goal here is simple: We must, once and for all, treat children’s hospitals as we do other teaching hospitals when it comes to funding physician training. This year, that means Congress must fully fund the Pediatric GME program as its authorized level of $385 million in fiscal year 2002.

Last year, Congress appropriated $235 million for the children’s hospitals GME program—not quite enough for full parity with other teaching hospitals, but a good step forward. This year, we need to continue that momentum and finally treat all teaching hospitals equally. If it is important to train a doctor who treats adults, it’s equally as important to train a doctor who treats children. We can make our policies reflect that important principle, and I am confident we can get there this year.

I see the Senator from Massachusetts on the floor, and I ask if he has anything he wishes to add.

Mr. KENNEDY. I thank Senator BOND for his comments. I could not agree more with the Senator from Missouri. We must work together to fully fund the Pediatric GME program at $385 million in fiscal year 2002.

Independent children’s hospitals are experiencing very serious financial challenges that affect their ability to sustain their missions. In addition to the challenges of covering the costs of their academic programs, they include challenges in covering the higher costs of sicker patients in a price competitive marketplace, meeting the costs of uncovered services such as child protection services and poison control centers, and assuming the costs of devoting a large portion of their patient care to children from low-income families.

On average, independent acute care children’s hospitals devote nearly half
of their patient care to children who are assisted by Medicaid or are uninsured. They devote more than 75 percent of their care for children with one or more chronic or congenital conditions. For children with rare and complex conditions, independent children's hospitals often provide the majority of care in their region or even nationwide.

Furthermore, independent children's hospitals—including Boston Children's—serve as advocates for the public health, and they are essential to the health care safety net for children of low-income families. Our children are our most vulnerable patients. Pediatricians and pediatric specialists provide a crucial voice for these children who are not able to ensure their own health care. Without funding for this training even our Nation's number one Children's Hospital, Boston Children's, will no longer be able to ensure that our children receive state-of-the-art care targeted to their special needs.

The Senator from Ohio and I have worked together on this issue over the years. I ask the Senator from Ohio, would he agree that graduate medical education at children's hospitals are essential to meeting the health care needs of our Nation's children?

Mr. DeWINE. I agree wholeheartedly. I appreciate the comments from the Senator from Massachusetts. I would like to mention a few more reasons why these funds are so important.

Fully funding the GME program will enable our independent children's teaching hospitals to sustain their core missions—medical care, teaching and research—which benefit all children. These children's hospitals serve as the health care safety net for low income children and are the sole regional providers of many critical pediatric services. Closing this funding mission is also essential. Even though they comprise less than one percent of all hospitals, children's hospitals train 5 percent of all physicians, nearly 30 percent of all pediatricians, almost 50 percent of all pediatric surgery, and two-thirds of all pediatric critical care doctors. The research that our country's pediatric academic medical centers perform is also essential and the need for more pediatric researchers is growing. Fully funding the GME program within our children's teaching hospitals is an investment in children's health that I would urge my colleagues to support.

CONGRESSIONAL RECORD — SENATE

S3671

Mr. VOINOVICH. Mr. President, last year, my colleagues from Ohio, Senator DeWINE and I introduced the Department of Defense Civilian Workforce Realignment Act. The purpose of this legislation was to extend, revise, and expand the Department's limited authority to use voluntary incentive pay and voluntary early retirement in order to help the civilian workforce to meet missions needs and to correct skill imbalances, especially in high skilled fields. Given the significant numbers of eligible Federal retirees the Department will face in just a few short years, we believed then and now that the Department needs the ability to better manage this extraordinary workforce transition period. Just as important, this smoother transition period would allow for better and more effective development of our younger workers, who will have a better chance to learn and gain from the expertise of the older generation of military experts. This language was also introduced by our Ohio colleagues in the House, Congressmen DAVE HOSSON and TONY HALL.

After discussions with the chairman of the Armed Services Committee, Senator WARNER, we included language in the fiscal year 2001 Defense authorization bill to allow for voluntary early retirement authority and voluntary separation incentive pay for a total of 9,000 Department of Defense civilian employees for fiscal year 2001 through 2003. This language provided, at least initially, the critical new flexibility to the Department of Defense to better manage its force structure. However, this language simply gave the Defense Department the authority to initiate the program in fiscal year 2001 utilizing discretionary funds, but required that “the Secretary of Defense may carry out a program authorized . . . during fiscal years 2002 and 2003 with respect to workforce restructuring only to the extent provided in a law enacted by the 107th Congress.”

Mr. DeWINE. I thank my friend from Ohio for yielding, and agree with his comments. The reason why we had to go back to the Defense Authorization Bill was simply because the year's defense authorization bill is mainly because our initial legislation required mandatory, or direct spending, which must be provided for as part of the budget resolution. The actual direct spending involved, according to the Congressional Budget Office, amounts to $82 million through fiscal year 2011. So, as my colleague from Ohio would agree, we are seeking a minimal amount to provide the Department with the needed workforce flexibility needed to meet its workforce challenges. We are hopeful that the Bush administration will call for this financing as part of the fiscal year 2002 defense budget, and for that reason, we have been working with the chairman of the Budget Committee, Senator DOMENICI, to ensure that the necessary direct spending amounts are assumed in this year's concurrent resolution. I see Chairman DOMENICI on the floor, and will yield to him for any comments.

Mr. DOMENICI. I thank the two Senators from Ohio for their interest and hard work in this important issue. This is a matter that impacts a number of states that are home to civilian employees of the Defense Department, including New Mexico. I know my colleagues from Ohio have been working on this issue for several years, and I agree that something needs to be done. As this budget resolution assumes the President's budget, if the President's budget accommodates the direct spending necessary for this program, then the Senators from Ohio can assume that this budget resolution accommodates this program. So, the Senators from Ohio can be sure that if this matter is addressed in the President's budget, I will work with them to be sure that the final budget resolution we will work out with the House will assume all the increases and new programs in the President's budget for important programs, such as this one.

Mr. VOINOVICH. I thank the Chairman of the Budget Committee for his comments, and look forward to working with him and Senator DeWINE to ensure this assumption is maintained in the final budget resolution approved by Congress.

LONG-TERM CARE STAFFING SHORTAGE

Mr. JOHNSON. With the many priorities we have to cope with, I would simply like to point out that we cannot lose sight of the need to address the very critical problem of labor shortages plaguing our health care providers both in my State, and all across the Nation.

It is important that the budget resolution we ultimately pass address these labor shortages.

In my own State of South Dakota, for example, it is not uncommon to have a 100 percent turnover rate for Certified Nursing Assistants—clearly that's a crisis that should not and cannot continue if we are going to maintain quality care for seniors. And for anyone who doesn't know what the Certified Nursing Assistants are, they are the ones who provide the front line, bedside care to the frail and elderly. A very difficult and demanding job.

Another major problem is that the average starting salary for South Dakota's certified nursing assistants is just $7.32 per hour—and the average wage is $8.10 per hour.

Mr. GREGG. We have similar problems in New Hampshire, and I agree with my colleagues that we have a shortage of trained health care workers, particularly those providing services to our nation's elderly. If this problem is not addressed, the viability of our nation's entire health care system will be threatened.

Mr. JOHNSON. Just as bad, and yet another problem that creates a parallel crisis, is the fact that many states—including my own—simply do not have realistic Medicaid reimbursement rates. Each state, Medicaid provides the resources for care for more than two out of three patients in nursing homes. South Dakota's average daily Medicaid

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reimbursement rate is $38.78 per patient, which, in fact, is a $17.34 short- fall from covering the actual cost of care. It’s simply not plausible for $38.78 per day to cover the cost of care, room and board, three meals a day, medicine, specialized equipment and other critical needs.

The net result of these artificially low Medicaid reimbursement rates is that they further squeeze an already difficult labor and staffing situation—and these consequences feel the Concurrent Committee on their sleeves—very, very, very problem-atic for our health care providers. Until we begin increasing Medicaid reimbursement rates to levels more than we pay a babysitter, for example, this squeeze will continue and seniors will be threatened.

Mr. GREGG. Like your State of South Dakota, New Hampshire is currently plagued by low Medicaid reimbursement rates. Skilled nursing facilities in our state and elderly are expected to take this meager reim-bursement rate and provide 24-hour care, room, board, meals, and some therapies—and of course, nursing sala-ries come out of this cost as well. So it is no surprise that the average Cer-tified Nursing Assistant salary in New Hampshire is $18.92 an hour. The average starting salary of a Certified Nursing Assistant starts at $8.50 an hour, and the average salary is $10.26. Skilled nursing facili-ties in our state have their hands tied over how much they can pay due to low reimbursement rates. We simply must invest in the care of our frail and elderly. I hope Congress will address this problem of long term care staffing shortage.

RESTRICTIONS ON ADVANCE APPROPRIATIONS

Mr. WARNER. I bring to your atten-tion, my concern about a provision in the 2002 Concurrent Budget Resolution, H. Con. Res. 83, concerning restrictions on advance appropria-tions. The Senate provision more properly addresses this issue. The House provision (Section 13) is ex- tremely vague and restricts both the Congress and the Administration con-cerning the funding of capital projects using advance appropriations. As you prepare to conference the Fiscal Year 2002 Concurrent Budget Resolution, I urge you to sustain the Senate provi-sion (Section 201) in the final con-ference report.

Mr. LOTT. I strongly concur with the Chairman of the Armed Services Com-mittee on this issue, and also urge that the Senate provision on advance appropria-tions be included in the final con-ference report.

Mr. SESSIONS. As Chairman of the Seapower Subcommittee, I fully sup-port the Senate provision concerning advance appropriations in the Concur-rent Budget Resolution. I think it is important that members have tools such as advance appropriations available to consider as a financing option for capital projects such as building ships.

Ms. SNOWE. I want to thank the dis-tinguished Chairman of the Budget Committee for his consideration and cooperation in this very important matter as well as the distinguished Chairman of the Armed Services Com-mittee and Majority Leader for bring-ing this issue to my colleague’s atten-tion. The Senate version reinforces the President’s budget blueprint for ad- vance appropriations, under a full funding mechanism that can be used by various departments, such as the Department of Energy, the Department of Trans- portation, and the Department of De-fense, and agencies, such as NASA, to level fund capital projects. Without this valuable tool, the ability of Con-gress to budget the federal govern-ment’s capital investment projects will be severely restricted. I most strongly concur with my esteemed colleagues that the Senate version must be sus-tained in conference.

Ms. COLLINS. I want to take a mo-ment to commend and thank my dis-tinguished colleagues for their insight and leadership on this critical issue. The use of advance appropriations would provide our federal government with the flexibility to alternatively fund large capital investments. Specifically, I am aware that the Navy is currently studying advance appropriations as a means to reform the way it acquires its ships in an attempt to capitalize the ship-building program, flatten out budget spikes, and potentially reduce costs through economic order quantity buys of ships and their systems. I believe that this funding alternative should be pursued, and I hope to see the Senate provision sustained in Conference.

Mr. DOMENICI. These are important concerns that the Majority Leader, the distinguished Chairman of the Armed Services Committee, and Senators Ses-sions, Snowe and Atwater have raised. The Senate version, section 201, Restric-tion on Advance Appropriations, provides for the funding of capital projects, while maintaining the discipl-ine of full advance funding. I assure my colleagues that I will work to en-sure that this issue is adequately ad-dressed.

Mr. WARNER. I thank the dis-tinguished Chairman of the Budget Com-mittee for his cooperation.

FUNDING FOR THE CORPORATION FOR PUBLIC BROADCASTING

Mr. STEVENS. Mr. President, I would like to raise a concern with the Chairman of the Budget Committee re-garding advance appropriations. Spe-cifically, I am concerned about the funding for public broadcasting. Consistent with the President’s budget request, the Resolution provides that any advance appropriation would be scored in the year in which it is appro-priated instead of the year in which it is scored under the past policy. This provision was included because of past problems with the practice. Last year, for example, the Administration threatened to veto appropriations bills unless increases in funding were pro-vided using the mechanism of advance appropriations. The provision is in-tended to close that loophole.

Despite its strong support for this provision, the Office of Management and Budget has indicated its willing-ness to examine specific programs, on a case-by-case basis, to determine whether an advance appropriation is merited for programmatic reasons. For example, I was informed today the Office may consider advance funding for cer-tain defense construction or procure-ment items which, under definition, often involve multi-year obligations.

My office has talked to OMB officials as recently as this morning on this issue. They are willing to work with the Appropriations Committee and the Budget Committee over the recess to determine whether CPB should be granted an exception to the rule. If an agreement could be worked out accept-able to all the parties, I believe the Budget Committee should have the flexiility to consider it in conference if it so chooses.

Mr. SPECTER. Mr. President, if the distinguished Chairman of the Budget Committee is willing to review this matter with OMB and the Appropriations Committee, there are several issues I hope he will consider. First and most important, the practice provides the lead time stations need to line up programs that may require two or three years to produce—programs like Baseball and the Civil War that are years in the making. In other words, advance funding encourages prudent planning.

Second, it allows the stations to use the availability of federal funds to lever-age private sources, both through foundations and viewer fund-raising to maximize the resources available for quality programs. And lastly, advance funding reduces the po-tential of political interference in pro-gramming decisions.

DEDUCTIBILITY OF STATE AND LOCAL SALES TAX

Mr. THOMPSON. Mr. President, Sec-}
Mr. BYRD. Mr. President, over the past few days, we have heard a great deal of promises made regarding the FY 2002 budget resolution. As I have listened to the arguments made in support of this budget resolution, I am reminded of a scene from Jerome Lawrence and Robert E. Lee's play, Inherit the Wind.

On a sultry summer evening in a small town, two men sit in rocking chairs, reminiscing about their childhood. One of them tells the other of a beautiful rocking horse that he had longed for as a child. That rocking horse—Golden Dancer—shimmered in the sunlight that streamed through a storefront window. Knowing the rocking horse would cost his father a week's wages, he harbored little hope of ever owning that magnificent steed—expecting that it would always lie just beyond his reach, behind the storefront glass. But knowing of his son's dream, his father worked nights, and picked up scraps of paper to buy that rocking horse. On the morning of his birthday, he awoke to find, at the foot of his bed, the rocking horse of his dreams, Golden Dancer. He hopped out of bed, jumped into the saddle, and rode off with his dream, and his horse, split in two. The wood was rotten. The whole thing had been put together "with spit and ceiling wax. All shine and no substance . . . all glitter and glamour." That's how I feel about the promises made regarding this budget resolution and the approximately $1.5 trillion tax cut it authorizes.

Mr. President, it was not too long ago that the American people were being enticed by the glittering promises of another Republican Administration. In 1981, President Reagan promised that massive tax cuts would balance the budget and reinvigorate an economy plagued by unemployment and recession. I voted for the Reagan economic plan. I even voted for the tax increases. Democrats understood the promise to the American people. The Senate today was asked to buy another "Golden Dancer." This budget resolution looks alluring sitting in the store window. But all that holds it together are the spit and ceiling wax of rosy ten-year surplus projections and unrealistic spending cuts.

Mr. President, I have already spoken at length this week about how the Senate has considered this year's budget resolution with maximum hurry and minimal information, debate, and opportunities for amendment. First, the Budget Committee—for the first time ever—was not allowed to draft a budget resolution. Instead, one was presented
to the Senate by the Chairman of the Budget Committee and his party’s leadership. Second, the Senate considered this budget resolution without the benefit of the President’s budget, which means that the Senate has no way of knowing what programs will be cut. We made room for these massive tax cuts.

The most egregious example of this can be found as a footnote on page 188 of the President’s budget outline, A Blueprint For New Beginnings. On the bottom of page 1, the footnote reads: “The final distribution of offsets has yet to be determined.” Until April 9th, when the Congress receives a detailed copy of the President’s budget, the Senate has no way of knowing what the specific reductions will be for $30 billion in spending cuts that are proposed on page 188 of the President’s “Blueprint” for this year’s budget.

What we do know is based on what was presented to us by the Budget Committee and summarized by the Republican leadership in the form of this budget resolution. What we have here is a ten-year spending plan built on the Congressional Budget Office’s ten-year surplus projections. But what of those projections?

In testimony before the Senate Budget Committee, Deputy Director Barry Anderson repeatedly warned about the volatility of these projections. In fact, the Congressional Budget Office voted in chapter one of its Budget and Economic Outlook: Fiscal Year 2002-2011 to the uncertainties in forecasting economic and budget conditions. On page 93 of that document CBO cautions that there is only a 10 percent chance that budget surpluses will materialize as they have projected. On page 95 the CBO warns that, based on historical averages, its projections will be off by $52 billion in FY 2001, $120 billion in FY 2002, and $412 billion in FY 2006.

To be considering a ten-year budget plan that includes permanent tax cuts, after the Congressional Budget Office has gone to such lengths to explain just what a crapshoot these projections are, is the pinnacle of fiscal irresponsibility. The Congressional Budget Office has put warning labels on everything this year. CBO officials say that this budget could be hazardous to the fiscal health of the nation. Yet, we hopped onto a ten-year budget plan without blinking.

Why? What was the hurry? Why couldn’t we have waited until we saw a copy of the President’s budget? Why couldn’t we have waited until the Joint Tax Committee and the Congressional Budget Office had the details they needed to examine the President’s budget and report back its findings to the Congress? We accepted these surplus projections based on little more than faith, without any real idea how these massive tax cuts would affect the overall budget.

Fiscal prudence dictates that we should move slowly before enacting massive tax cuts based on these highly speculative surpluses. Does this budget resolution embrace that notion? No. In fact, it includes reconciliation instructions to expedite—not delay—but expedite consideration of these tax cuts. I have saved at length about reconciliation, and how using such a procedure to limit the Senate’s consideration of the President’s tax cut plan would “break faith with the Senate’s historical uniqueness as a forum for the expression of individual rights.” This is my greatest concern. But reconciliation would also put us on the fast track for passing massive tax cuts without any room to reverse or correct our course later if these surplus projections turn out to be false. This train has us speeding through a long, dark tunnel with no lights and with no idea of what lies ahead.

The only thing that we know for certain is that these tax cuts will prevent the government from running any deficits over the next ten years, even if we accept these surplus projections at face value. This budget resolution barely keeps pace with what the Congressional Budget Office says is necessary to keep pace with the economy’s growth. In addition, this budget contains no adjustment for the fact that we are a growing nation, with our population expected to increase by 8.9 percent over the next ten years. There will not be enough money in the Social Security trust fund to keep pace with what the Congressionally mandated Social Security reforms? When the baby-boomers need Medicare reform? When the baby-boomers need Medicare reform?

What about Social Security and Medicare reform? When the baby-boom generation begins to retire over the next ten years, financial pressure on the Social Security and Medicare trust funds will rise rapidly as payroll tax income falls short of what is needed to pay benefits. Both programs are expected to have expenditures in excess of receipts in 2016. Where will the federal government find the money to finance these benefits? In the absence of budget surpluses for the rest of the government’s operations, policymakers would have three options: raise other taxes, cut other spending, or borrow money from the financial markets. If we go along with these massive tax cuts, how will we honor our pledge to protect Social Security and Medicare?

And, what about the unforeseen disasters that will inevitably occur over the next ten years, or the increases in defense spending that ultimately be recommended by the President’s advisory committee? How is Congress expected to pay for these needs if it has already foreclosed other options? Mr. President, 170 years ago, a frustrated German philosopher Friedrich Hegel pointed out that “what experience and history teach is this—that people and governments never have learned anything from history, or acted on principles deduced from it.” What better way to reaffirm that opinion than by the Congress enacting a massive tax cut based on highly speculative surplus projections?

By passing this budget resolution today, the Senate has ignored what history has tried to teach us. I say to my colleagues, we have taken this ride before. This budget is nothing more than the well-shined Reagans, and it deserved to be defeated.

Mr. MCCAIN. Mr. President, I will vote for the budget resolution for fiscal year 2002 in the interest of moving the budget process forward. My vote for the resolution should not be interpreted as an endorsement of the budget package. Indeed, I have some serious reservations about the priorities and assumptions contained in this resolution. This is not just another budget. Rather, the Senate is only voting on a blueprint, not a completed budget document.

I have a statement of principles that I believe should be reflected in the budget process. These five principles are: that these five principles reflect the Main Street economic realities that Americans talk about at their dinner tables. My first principle is that the budget must provide sufficient resources for America’s national security and infrastructure needs that have built up over the past years. Our schools are crumbling, our roads need repair, our bridges are falling down, our drinking water is polluted, our sanitation systems are inadequate, our dams are unsafe. Are we expected to ignore these problems so that we can finance a tax cut for the wealthy?

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Americans. The more fortunate among us have less concern about debt. It is the parents struggling to make ends meet who are most in need of tax relief.

I hope that when the reconciliation bills reach the floor of the Finance Committee, the tax cuts outlined will also address the pressing issues such as the child tax credit, reduction of the marriage tax penalty, payroll tax reform to lighten the burden of this tax on hard-working Americans, and tax reform to ensure that we take into account the effect such reform will have on our robust charitable community. For this and other reasons, I support a $5 million cap with regard to the estate tax cut.

In this tax debate, we should avoid class war rhetoric, but a final budget plan should reflect Main Street realities. The Senate Finance Committee should firmly resist granting tax relief that benefits the special interests and K Street lobbyists at the expense of lower- and middle-income American taxpayers.

That kind of tax relief I would never support.

Third, the budget must provide for future obligations in Social Security and Medicare. Reforms are urgently needed in both programs, but we must have the resources to pay for them.

For the first time in history, economic projections show a surplus of $3 trillion over the next ten years, exclusive of the surplus in the Social Security Trust Fund. At the same time, we know that the Social Security system is projected to be bankrupt by about 2037 and Medicare will be broke around 2023, leaving millions of elderly Americans without the promised benefits they need to live comfortably in their retirement years. I am concerned that this budget resolution uses none of the surplus to shore up Social Security and Medicare, and does not provide the resources needed to support reforms of these entitlement programs that will ensure their long-term solvency.

My fourth principle is paying down the national debt as possible. On Main Street, Americans believe it is conservative common sense to meet your financial obligations. Lower federal debt means lower interest rates on consumer loans, especially for families trying hard as a nation to accumulate. I applaud the resolution’s goal of reducing the level of debt held by the public by nearly $2.4 trillion from a level of $3.2 trillion today to $0.8 trillion in 2011. But I believe that we should use even more of the non-Social Security surplus in the early years to reduce the federal debt burden on future generations, given these surplus projections in the out years could be significantly off.

My next principle is restraining spending, which Federal Reserve Chairman Greenspan warns could “resurrect the deficits of the past.” Many of the specific funding assumptions in this resolution are laudable, but I have identified a $5 billion of port-barrel spending in the Farm Bill that we need to pay for. The budget resolution itself is funded with unprogrammed surplus six months down the road is unclear, to say nothing of its dimensions 10 years later. It is a tax plan that gives the most to those who need it least and leaves little or nothing for making the kinds of investments that will secure and brighten our future. Our Republican colleagues have put together a partisan budget blueprint that simply accommodates the President’s tax cut.

But neither the Bush plan nor the Republican budget are right for our country. They will waste the wealth our nation has earned over the last eight years and send us back down the road to debt, higher interest rates, and higher unemployment. They cannot answer the big questions of what kind of country we want to be ten years from now, because they do not ask the right questions. They lack vision and therefore squander this moment’s opportunity.

The Republican Budget Resolution does not protect the Social Security or Medicare trust fund surpluses. It claims to set aside $453 billion for a “contingency fund” in order to prevent Congress from spending the Social Security and Medicare trust funds. But, however, that amount is not sufficient to maintain current policies, such as extending expiring tax credits, reforming the alternative minimum tax, and providing agricultural assistance—and to pay for the cost of new initiatives such as a national missile defense system. Because of the excessive Republican tax cut and the inadequate size of this contingency fund, Congress may be forced to raid the Social Security and Medicare trust funds. I believe, in prospect of a return to budget deficits. The GOP budget imposes deep cuts on important programs. The Budget Resolution would cut non-defense discretionary spending by about $5 to $9 billion or two percent below the level needed to keep pace with what was provided last year, adjusted for inflation. Funding for environmental protection, disaster assistance, veterans’ medical care, Community Oriented Policing (COPS) and the Army Corps of Engineers would be particularly hard hit.

The Republican budget also falls short on debt reduction. The Budget Resolution would reduce the publicly-held federal debt from $3.4 trillion at the end of Fiscal Year 2000 to $818 billion by Fiscal Year 2011. Many experts believe that the publicly-held debt could be reduced to under $500 billion, $300 billion more in debt reduction than proposed by the Republicans.

If we are to seize this moment, we must have a clear vision and a long view of where we want to go, and how best to get there. We need a new approach, rooted in old values—the
broadly cherished principles of freedom, opportunity, responsibility and community upon which this democracy was built—values so ingrained in our national consciousness as to transcend the rhythms of history. We must be guided by the promise of growth and opportunity that moved the pioneers, by the hard-work and enterprise that gave rise to the middle class, by the sense of responsibility to one another that has created good citizens and strong communities, and by that indomitable American spirit of optimism and innovation that drives us forward in our pursuit of better lives and brighter vistas. What we need is a budget based on fiscal responsibility and wise investments, an agenda that empowers our citizens to succeed in the near term but that also guarantees their long term security.

We must begin with a fiscally sensible budget, a budget that places the highest priority on paying down the national debt. One of the most enduring lessons of the last 20 years is that debt reduction pays off in the long term in ways that now gives us historic opportunity to be debt free by the end of this decade, which will keep interest rates down on home mortgages, car loans, credit card bills and student loans, loosening the budgets of millions of American families. Low interest rates also cut the cost for capital available for business innovation and expansion. We must set aside at least one-third of the projected surplus to continue to pay off America’s long-term debt, does not turn tax cuts into the same as large as we hope it will, then we will not have committed to obligations that might drive us into deficit spending again. The funds we set aside for debt reduction will become a rainy day fund.

The next steps would be to invest in the building blocks of our society and economy: defense, healthcare, the environment, education, scientific research and development, and a robust private sector. The Bush partisan budget does just the opposite. For example, in healthcare the Bush budget would cut aid to the uninsured. By decreasing the funding for programs that increase access to health services for people without health insurance by 86 percent, the President jeopardizes the health and well being of the nearly 42 million Americans that cannot afford health insurance and will actually decrease access to healthcare services. His budget also fails to provide an adequate prescription drug benefit, providing only $153 billion over 10 years to provide for a four year, low-income prescription drug benefit. CBO estimates funding “won’t provide a great deal for any one person.” I believe America should be increasing access to health insurance and health care services . . . not cutting critical programs. I am committed to passing a prescription drug plan that meets the needs of seniors.

I also am discouraged by the lack of funding that the Bush administration plans to designate for essential programs to protect our public health and environment. At the same time the Bush Administration has rolled back a number of regulations for protection in these areas and has walked away from its commitments to address the problem of climate change, it also has slashed the funds available to the agencies responsible for these important issues. The amount the Republican Budget Resolution designates for these essential environmental programs to protect our public health and environment is 15 percent below what is needed to maintain FY2001 spending power.

I have supported efforts to put this funding back in the budget resolution. The amendment that I co-sponsored with Senator Kerry renewed the funding for the range of government programs intended to address our climate change problem. I thank my colleagues for recognizing the dire need for these programs and passing the amendment. It was also supported by a bipartisan group of Senators and was sponsored by Senator Corzine, which would have provided the funding that is needed for the full range of environmental programs. Mr. President, the protection of the environment is not a luxury investment; we cannot sacrifice it to pay for a tax cut.

This budget resolution also must recognize that skills and learning not only drive productivity growth, but increasingly determine individual opportunity. We must resolve and our resources on changing the way we teach and train our labor force. We need to start at the beginning and reform our K-12 system to raise academic achievement for all children. Congressional Democratic education proposals all provide more funding for our public schools than President Bush and the Republicans do, and that is undoubtedly because they spend so much on his tax cut plan, that he has little left over for other critical societal investments.

As we move forward, we can and should create a direct and progressive connection between taxes and education. Parents, workers and employees should be given tax credits to make lifelong learning easier. Some employers investing in remedial education—to make up for failures in the performances of our K-12 school system—should be offset with a new education tax credit. More importantly, I support tax relief for low- and middle-income families struggling to pay the cost of their children’s college education and their own mid-career retraining. These families should be allowed to deduct up to $10,000 of higher education costs from their income tax each year.

Equally as important are adequate funds for basic science and research and development. The role of scientific innovation is central to our country’s economic growth. The story of the American economy is the story of scientific breakthroughs leading to economic growth. Yet, President Bush’s budget outline starves three of the greatest generators of innovative ideas: The National Science Foundation, NASA, and the Department of Energy. For instance, the National Science Foundation is slated for a 1.3 percent funding cut, which is effectively a cut, that is in excess of the rate of inflation. Rather than curtailing physical science R&D funding, we should be doubling the federal basic research investment over the next 10 years and promoting education initiatives to expand the technically trained workforce. Increases in federal research dollars, at NSF, NASA, and DoE are critical to educating the next generation of scientists and engineers.

A visionary budget must allow for a tax package with a purpose. And that purpose must be, above all else, to stimulate economic growth, to raise the tide that lifts the lot of all Americans. One-third of the projected surplus should be dedicated to tax reductions, to also support reward working families and the rest to business tax cuts that stimulate economic growth and new jobs. In the spirit of the Innovation Economy, we should look to tax incentives that will spur the drivers of growth: innovation investment, a skilled workforce, and productivity and there are many possibilities to consider.

In 1997, I supported reducing the capital gains rate to help reduce the cost of innovation investment in our economy, I think for our economic boom. I believe the capital gains rate should be reduced again. Eliminating capital gains entirely for long-term investments in start-up entrepreneurial firms would encourage a strong venture capital market, and the investment in new companies that is falling off now.

Small firms lagging behind their larger brethren in productivity growth should be given tax credits to invest in information technology and business accounts for 40 percent of our economy and 60 percent of the new jobs. But less than one-third of small businesses are wired to the Internet today. Those that are wired—and this is a stunning statistic—have grown 46 percent faster than their counterparts who are unplugged.

One of the most effective ways to spur business investment, productivity increases and economic growth is adjusting depreciation rates in the tax code to more accurately reflect the lifetime of a product. For some classes of investments, particularly rapidly changing information technology equipment, current depreciation schedules no longer match actual replacement rates and our current tax laws use technology must continue to carry an expense on their books long after the expenditure has ended its useful life. I suggest that, where appropriate, depreciation schedules should be shortened to match actual replacement rates.

Removal of economic and governmental barriers to the build-out of a broadband should be a top priority so
People will ask, did we fully understand the awesome changes taking place in our economy and in our society? Did we direct our unprecedented surpluses into investments with the greatest returns? Did we give our workers the tools they need to seize the opportunities this economy offers? And were we guided by those proud American values that have brought us this far?

If we keep that perspective in view from the vantage point of our daily lives, we'll have a good shot at answering those questions affirmatively. But we must exercise discipline and follow a regimen: We cannot spend money we don't have, despite the temptations to do so. We must pay our bills and make investments for our future before we take vacations. A short term economic stimulus to help lift us out of this economic slowdown has to be followed by business tax credits and smart investments to sustain longer-term growth. Only then, can we be confident of our ability to provide comfort and security to our parents and for a bright future to our children.

Ms. SNOWE. Mr. President, I rise today to thank the Chairman of the Budget Committee for providing in his substitute amendment that reinforces President Bush's budget blueprint for the use of advance appropriations as a mechanism for capital investment. The chairman's extraordinary foresight will ensure that a substantial amount of advance appropriations will still be available as a budget management tool for Congress and Federal departments and agencies.

As described by OMB Circular A–11, advance appropriations is a funding mechanism, which together with funding in the current year, provides full funding of capital projects and scores following year funds as new budget authority in the year in which funds become available for obligation. This mechanism is used by various departments, such as the Department of Energy and the Department of Transportation, and agencies, such as NASA, to level fund capital projects. In addition, the Department of Defense is considering employing advance appropriations for capital projects in the future.

Section 15 of the House Budget Resolution recommends severely restricting the ability to use the method of advance appropriations by requiring a capital or to use the mechanism for which advance appropriations were scored against 302(a) allocations and totaled in the year in which these appropriations are enacted. This differs from scoring the appropriations in the year in which it is obligated.

The flexibility to use the advance appropriations method is an important management tool that enables federal agencies and departments to score capital investment project appropriations in the year in which they are obligated rather than scoring the whole cost of the project in the year project. This option allows the federal government to make selected capital investments in much the way the American people would, and that is pay as you go. I urge my colleagues to support and sustain the advance appropriations provision included by our distinguished Budget Committee chairman in his substitute amendment.

WORKFORCE INVESTMENT

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the attached letters of support for the Harkin-Wellstone amendment be printed in the record.

There being no objection, the letters were ordered printed in the record, as follows:

HON. PAUL WELLSTONE, U.S. Senate, Washington, DC.

The Minnesota Governor's Workforce Development Council (GWDC) is in support of your efforts to increase workforce development programs in the FY2002 budget resolution.

As you know, Minnesota is experiencing a long-term labor shortage and a severe sector, short-term economic slowdowns. The combination makes a particularly compelling case for increased federal support for workforce development efforts that benefit incumbent workers, new entrants into the labor market including new Americans, working families, and others seeking to advance their education and upgrade their skills.

Minnesota has worked hard to build a strong and dynamic workforce system. We are currently exploring several options to further strengthen our efforts through a reorganization of some state agencies and a shift toward more local decisionmaking about workforce investments. A constant theme we have heard during these discussions is that the federal resources for training and skill advancement are woefully inadequate.

We have successfully used Workforce Investment Act (WIA), Temporary Assistance to Needy Families (TANF), and Welfare-To-Work Block Grant funds, augmented by significant state resources, to address thousands into the labor market and advance through the workforce. However, the broad workers shortage, coupled with significant dislocations right now. Additional federal funding would allow us to better serve Minnesotans who need skills training to advance, other training and support to enter the workforce, and training and education to transition to new jobs after a layoff. Additional investment by Congress now would go a long way toward moving us through this short-term dip in the economy and addressing our longer term workforce needs.

On behalf of the Governor's Council, stakeholders in Minnesota's workforce system, and your Minnesota constituents, I urge you to move forward with your efforts knowing that you have our support and confidence. If you need any additional information or assistance, please contact me directly or GWDC staff Luke Weisberg (651-205-4728 or luke.weisberg@state.mn.us) or Kathy Sweeney (651-288-3700 or ksweeney@ngwmail.des.state.mn.us).

Again, we applaud your efforts and appreciate your support on this and other issues.

Sincerely,

ROGER L. HALE, Chair.
Mr. ALLARD. Mr. President I rise today to join my colleagues in the important dialogue surrounding the budget resolution. As has been well documented this week, the Bush-Domenici Resolution before this body is a close approximation of the President's Budget Blueprint for New Beginnings. As member of the Senate Budget Committee I have been studying this document for a number of weeks. I am convinced that this Budget represents a commitment to tax cuts, the repayment of the Debt Owed to the Public, and sensible reforms.

Many of our priorities in Colorado are not radically different from those of Americans all over this vast country. We are concerned with education, the solvency of Social Security and Medicare, the strengthening of our national defense, and the protection of our wonderful natural resources and environment. The President has also addressed one of the most pressing needs for our soldiers, providing funding to improve the quality of life for our troops and their families. I am pleased to say that I believe President Bush has addressed these national priorities in a direct and sensible way while also speaking to the unique needs of Colorado.

The budget blueprint proposed by President Bush may well be an attack on the debt owed to the American people. If we have the courage to pass this budget we will begin the fastest and largest debt reduction in history. Lower government debt means greater fiscal security for large government programs such as Social Security and lower interest rates on Coloradans who purchase homes, automobiles, and use credit cards. Most importantly, future generations will not bear the burden of our past fiscal irresponsibility. My children and grandchildren, Coloradans, and I am dedicated to leaving them a brighter fiscal outlook than we have before us today.

Fair tax relief for all taxpayers is a clear priority in the Budget Resolution. In recent weeks there have been numerous assaults against the tax cuts provided for in this legislation. In January, addressing the Senate Budget Committee, Federal Reserve Chairman Alan Greenspan described this tax cut as moderate. In the scope of a $5.6 trillion surplus over the next ten years I find it laughable that there are members of this body who claim this tax cut is unaffordable. In Colorado the
Mr. KERRY. Mr. President, I rise today to speak on the budget resolution as well as an amendment I am offering which concerns the tax cut portion of the resolution.

This week’s debate is quite likely the most important I have ever undertaken and I am confident we will, for several years. What we have before us is a budget blueprint that would completely reverse the direction of the United States federal government budget, a 180 degree change from budget policy we have pursued over the last eight years. What the Majority is offering is a repudiation of the fiscal discipline of the 1990s and a return to the bold tax-cutting era of the 1980s.

And why not? The Congressional Budget Office projects surpluses as far as the eye can see. Ten years from now, in 2011, they project a unified budget surplus of nearly 900 billion dollars. Social Security and Medicare, for at least several years, are on firm footing. Let’s bet that the next town. How America people should decide how their money is spent, not Washington politicians detached and removed from Mainstreet, USA.

But the reality is quite different. The American people are not so easily deceived. Thanks to a previous Administration that demonstrated the benefits for everyone of turning around government deficits, taxpayers understand and appreciate the undeniable advantages of fiscal discipline. That is why when one puts before the public the following question, should the government send the surplus back in a tax cut or divide the surplus equally between debt reduction, tax relief, and priority investments, the second option, the prudent and reasonable option, always wins.

So let’s take a close look at the two options we have before us. This debate should not be about sound bites. It is far too important.

The two options are the Democratic-favored balanced budget approach based on principles of fairness, reasonable tax relief, and fiscal discipline or the Republican-favored approach of risky, back-loaded tax cuts dependent on surpluses which may or may not appear. Is this Democratic approach, as the able senior Senator from Texas calls it, just an excuse not to support a tax cut? Far from it.

For the last 8 years, fiscal discipline has meant turning around 300 billion dollar deficits into 200 billion plus surpluses. And what is a surplus, it is savings. It means the government is a net payer rather than a debtor, inflation is held in check and interest rates come down. The benefits to American people are real. Auto loan rates are lower. Home mortgage rates are lower. Businesses have access to credit for investments, leading them to hire more workers and keeping unemployment down. As everyone from Greenspan to Summers have recognized, it is a virtuous cycle.

So what we have before us today is an effort to reverse that cycle, an effort to revert to another era, a prior era. We have been down that road. Is that the direction we want to steer the country?

In the real world, a business would never write a check that it was not sure it could pay. But that is exactly what Republicans want to do with the biggest check of all. Let’s write the check now and hope that when it comes due, there will be enough money in the bank to pay for it. Would any self-respecting businessman manage his company in such a fashion? The answer is no.

The reality is that most of the Republican tax cut would not even take effect for several years, many provisions are so far into the future that they won’t show up in any IRS form for many years. Building an estate? Great. I just hope you don’t have the misfortune to pass away before 2011 because that is the year they repeal the estate tax.

Can we really afford the check they are writing? That is the $64,000 question. Economic and budget forecasting is somewhat like a weather forecast, the further you go into the future and the more long-range the forecast, the less likely it is to prove accurate. But we do know is that if productivity levels drop to their historical average, rather than staying at the levels they reached in the last few years, the surplus could fall by as much as $2 trillion.

And 84 percent of the surplus comes after the next presidential election. Or put another way, two-thirds of the surplus comes in the second five years of the 10-year projection.

But we need to pass a tax cut today to stop the government from spending the money. Last time I checked there were no spending proposals on the table that postpone their effective dates for 5 years. In the same way, we shouldn’t be passing tax cuts that don’t take effect for another 8 years. Let’s pass a short-term tax cut, and if the money comes in like the rosy forecasts indicate, we can extend it when the date arrives.

I want to address some specific aspects of this budget before us. Back in February, we held a special joint session of the Senate and Appropriations to hear President Bush listed education as his top priority. I am pleased to support the Bush-Domenici Resolution and I look forward to working with my colleagues this year as we appropriate the funds as outlined in this budget.
make it yours, as well.” The truth rests in the numbers. The Bush budget includes 40 dollars in tax cuts for every one dollar increase in education.

This budget resolution makes clear that President Bush’s tax cut proposal is a major threat to education. The Bush budget includes funding for key priorities, such as education and child care and that his enormous tax cut crowds out significant investments in education.

Yesterday this body made significant strides toward increasing the budget numbers for education by reducing the tax cut. I am thrilled that the Senate voted to increase funding for important education priorities by $250 billion over 10 years. The majority leader has expressed his intention to attempt to overturn that vote later this week. I sincerely hope that that does not occur. The President’s budget does not include a sufficient investment in public education. The amendment passed yesterday brings us much closer to the investment that must be made in public education in order to ensure each child has access to a first-rate education.

Despite the President’s claims, education funding in his budget does not keep pace with the obvious consequences of underfunding. Bush’s budget outline includes only a 5.9 percent increase at the program level. To put that in plain English, almost half of the Increase that Bush is touting as his major investment in education would happen even if the budget didn’t pass and the appropriations process did not occur.

About $2 billion of Bush’s funding increase for his so-called “top priority” was forward-funded last year. So the actual first-year increase in new spending that Bush is proposing is only about $2.5 billion. That is one-third the average rate of increase in education spending over the past four years, after adjusting for inflation. Here is the area that the President has identified as his highest priority, education, and it would have its recent rate of growth reduced by two-thirds.

We don’t know yet exactly which education programs Bush will increase funding for, but the list goes on. Someone will have to do serious damage to fund- ing available for scientific R&D. Ex- pert experience in this matter. The Bush budget is still locked up somewhere in the White House. The President wants Congress to leave town before those numbers are released. And well he should, because those numbers are going to show what we have all known for some time. Compassionate conservatism is code language for cuts in children’s programs, health care, the environment and other national priorities.

We are still awaiting the real details of the Bush budget. What we are learning through confirmed accounts is that the Bush budget will: cut child care grants by $200 million, cut child abuse programs by $200 million, and slightly eliminate the $20 million “early learning” fund for child care and education for children under the age of 5 which is based on legislation I wrote.

Cut funding for training health care providers in medically underserved areas by nearly $100 million.

Cut the Office of Minority Health by 12 percent.

Cut training for doctors at children’s hospitals.

Eliminate the COPS, or Community Policy Services Program.

The list goes on. Someone will have to explain to me how cutting child care and other social safety programs is compassionate because I just don’t see that.

Let’s take a couple minutes to look at the President’s research and develop- ment agenda. Unfortunately, the President’s budget plan will do serious damage to fund- ing available for scientific R&D. Exp- erts agree that over the past 50 years,
congressional record—senate
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advances in science and technology have contributed to half our nation’s economic growth. It’s true that investments in R&D tend to pay off only in the long term. For instance, much of the growth we enjoyed in the 90s stemmed from investments the federal government made in the 1960s. The ubiquitous computer which is so critical to our productivity today would not be available to us if serious research had not begun decades ago. But this budget fails to look to the long term, demanding failing to adequately provide for investment in science and technology, will slow economic growth and leave our children and our grandchildren with far fewer opportunities than we had just a few short years ago. Instead of increasing the growth of science and technology, the President’s budget proposal ignores the R&D needs of the nation. Although the Administration has indicated support for a $2.8 billion increase in the National Institutes of Health budget for FY 2002, many other research initiatives will not receive the funding levels they need. The President’s budget proposal for next year projects that non-defense R&D will decline by 7.8 percent adjusted for inflation, by fiscal year 2002. This is more than five times faster than the decline in total federal spending. After accounting for inflation, the Bush budget cuts the National Science Foundation by 2.6 percent, NASA by 3.6 percent and the Department of Energy by 7.1 percent. In the end, under the Bush budget federal support for science will decrease by 6 percent by 2005 as a share of the Gross Domestic Product. This is contrary to the commitment we should be making to innovation and entrepreneurship.

This budget’s approach to science and technology research is short-sighted and irresponsible. But don’t take my word for it. Take the word of the science and technology advisor to the first President, Allan Bronstein, a nuclear physics professor at Yale, recently wrote an editorial that was published in the New York Times in which he expressed his concern about the impact the President’s R&D cuts will have on the economy. He succinctly stated:

The proposed cuts to scientific research are a self-defeating policy. Congress must increase the federal investment in science. No science, no future.

So we have a budget blueprint before us that essentially rubberstamps a Presidential budget which we have yet to see, but that we are slowly learning, through leaks, will substantially cut a number of priorities that many of my colleagues and the nation share.

Now, I would like to take some time to discuss the President’s tax plan and an amendment I am offering. We hear so much talk about how the President’s tax plan provides the largest percentage reductions to low and middle-income families. Mr. President, it’s just not true. The reality is that the President’s tax cut would leave out 28 million taxpayers, taxpayers who see 15.3 percent of every paycheck go directly to the taxman. I’m talking about people who pay payroll taxes.

For all taxpaying families, the average annual payroll tax burden is over $5,000. The average payroll tax burden has increased from $3,640 in 1979 to $5,010 in 1999. For the vast majority of taxpayers, payroll taxes, Social Security and Medicare, generate the largest tax burden.

Federal payroll taxes actually exceed federal income taxes for 80 percent of all families and individuals with earnings. For single-parent families, the number is even more alarming. Today, 95 percent of single-parent households pay more in payroll taxes than income taxes.

According to the National Women’s Law Center, over 3 million women raising children as a single parent, or 36 percent of all single mothers and their families, will receive no tax benefit for the Bush tax plan. Almost half of the black and Hispanic women raising children as a single parent would not benefit a one penny. These taxpayers lose out because the President’s tax plan focuses only on tax cuts for the wealthy. The House Banking Committee, has made some small steps to address this issue, but more needs to be done if we are going to pass a balanced and fair tax bill.

My amendment would require that any substantial tax relief legislation, 500 billion or greater, which comes to the floor of the Senate this year include a certification by the Senate Finance Committee that it provides significant relief for the 28 million taxpayers who pay payroll taxes but who do not have sufficient earnings to generate income tax liability. Tax legislation which did not include a certification by the Senate Finance Committee, or conference in the case of a tax bill conference report, would be subject to a 60-vote point of order.

This amendment is a small step we need to take to ensure that as the Senate develops tax legislation, it maintains a commitment to providing REAL relief to all taxpayers, not a selected few. I can not imagine why anyone would oppose such a reasonable amendment. Clearly, any large tax bill should hold dearly the interests of all working families and I urge my colleagues to support it.

Mr. LEAHY. Mr. President, I must oppose this budget because it is an irresponsible gamble with our economic future.

This resolution sets aside trillions of projected budget surpluses for tax cuts proposed by President Bush that are steeply tilted to the wealthy. It pays for the Bush tax plan at the expense of needed investments in Social Security, Medicare, education, law enforcement and the environment. In addition, the proposed cuts would eliminate our ability to pay off the national debt so that this nation can finally be debt free by the end of the decade.

We should remember that the nation still carries the burden of a national debt of $3.4 trillion. Like someone who had finally paid off his or her credit card balance but still has a home mortgage, the federal government has finally balanced its annual budget, but there is no way to pay off. In the meantime, the Federal government has to pay almost $900 million in interest every working day on this national debt.

Paying off our national debt will help to sustain our sound economy by keeping interest rates low. Vermonters gain ground with lower mortgage costs, car payments and credit card charges with low interest rates. In addition, small business owners in Vermont can invest, expand and create jobs with low interest rates.

I want to leave a legacy for our children and grandchildren of a debt-free nation by 2010. We can achieve that legacy if the Congress maintains its fiscal discipline. The Bush budget resolution tosses fiscal responsibility for voodoo economics. It is based on a house of cards made up of rosy budget scenarios for the next ten years. Any downturn in the economy, are of which we are now beginning to experience, threatens to topple this house of cards.

The $5.6 trillion surplus that President Bush and others are counting on to pay for huge tax cuts tilted toward the wealthiest one percent is based on an assumption that reduces the available surplus to $2.0 trillion. Under this scenario, the President’s proposed tax cut of $1.6 trillion therefore has the potential to wipe out the entire surplus in one fell swoop. And that’s if the budget surplus projections are accurate.

While none of us hope that the budget surpluses are lower than we expect, to be responsible we need to understand that this is a reality. In its budget and economic outlook released on January 1st, CBO devotes an entire chapter to the uncertainty of budget projections. CBO says that “considerable uncertainty surrounds those projections.” This is because CBO cannot predict what legislation Congress might pass that would alter federal spending and revenues. In addition, CBO says—and anyone who watched the volatility of our markets over the past few weeks knows—that the U.S. economy is in a federal budget that is highly complex and are affected by many factors that are difficult to predict.
In their economic outlook CBO warns Congress that there is only a 10 percent chance that the surpluses will materialize as projected. When CBO takes its own track record on forecasting surpluses, they caution that the projected surpluses over the next five years may be off in one direction or the other, on average, by about $52 billion in 2001, $120 billion in 2002, and $412 billion in 2006. Remember, that data is only for five-year projections. CBO has been making 10-year projections for less than five years so they admit there is not yet possible to assess their accuracy. But 10-year projections are likely to be even less accurate than five-year projections.

For 2001 alone there is considerable uncertainty about the size of the budget surplus. In January, CBO estimated that the total surplus in 2001 would reach $281 billion. Earlier in this month, however, Merrill Lynch dropped its estimate to $250 billion. Wells Fargo, estimates a $225 billion surplus this year and a $185 billion surplus next year. 40 percent lower than the CBO’s estimate for 2002.

With all of this uncertainty in projections, it is amazing to me that the budget resolution insists on a fixed $1.2 trillion in tax cut. And the tax cuts proposed by President Bush may cost much more than $1.6 trillion over the next 10 years.

Let us take a closer look at these proposed tax cuts.

The President’s tax plan, by focusing only on income tax rate reductions, leaves out millions of taxpayers who do not pay federal income taxes but who do pay payroll taxes. In Vermont, there are 23,000 families who do not pay federal income taxes. But 82 percent of those families do pay payroll taxes. For the vast majority of taxpayers, payroll taxes generate the largest tax burden. Yet, the President’s plan does not touch payroll taxes.

With all of this uncertainty in these projections, Congress should tread very carefully when considering the size of the tax cut. While rosy surplus projections may have been accurate yesterday, we need to pay attention to circumstances today. Even Goldilocks could tell you that porridge that’s just right one day, may be too cold a few days later. Congress needs to recognize that the surplus projections are not set in stone, it is not only possible, but even likely that the projections will change and that the surpluses themselves will differ from those projections.

I was one of five Senators who are still in the Senate who voted against the Reagan tax plan in 1981. We saw what happened there—we had a huge tax cut, defense spending increased, and the national debt quadrupled.

I am concerned about enacting a huge tax cut before fulfilling our current unfunded federal mandates. The President’s budget outline proposed up to a 30 percent cut in grants to state an local law enforcement. I’ve written a letter to the President and the Department of Justice, along with 17 other Senators, opposing those cuts. I am pleased that my amendment restoring $1.5 billion to fully fund the Department of Justice to ensure law enforcement programs was accepted.

I supported an amendment to increase funding for private lands agriculture conservation programs by $1.3 billion for Fiscal Year 2002, including the Farmland Protection Program and EQIP—the Environmental Quality Incentives Program. I know there is a need for five to ten times this amount for these programs.

I supported several education amendments. These included amendments to increase the Pell Grant for student financial aid and increased support for the TRIO program, a successful initiative that provides support to first generation college students, particularly those from rural areas. However, the mandatory cut in discretionary spending does not commit sufficient funds in this area. I was pleased to join my colleague from Vermont, Senator Jeffords, in an effort to fully fund the federal government’s portion of IDEA costs.

The President’s budget proposes a $1 billion increase in discretionary veterans health spending. Such a meager increase barely covers inflation in the Department of Veterans Affairs’ current programs, let alone provides the department flexibility to increase the availability and quality of care. I am also concerned that this budget squeezes this money out of critical veterans health research programs, leaving investigations into spinal injuries and war wounds at inadequate levels.

After years of hard choices, we have balanced the budget and started building surpluses. Now we must make responsible choices for the future. Our top four priorities should be paying off the national debt, providing fair and responsible tax cuts, saving Social Security, and creating a real Medicare prescription drug benefit.

Mr. Craig. Mr. President, I rise in support of final passage of the budget resolution and to declare victory.

Today, all Americans who believe in fiscal responsibility, budget, a sound economy, and fair treatment for taxpayers, can declare victory. All of us who want a government that restrains its appetites and lives within its means, critical national needs, and letting hard-working individuals and families keep a little more of the fruits of their labor, can declare victory.

Today we are approving a budget that is balanced, not only because it is in surplus, but balanced in how it would allocate the resources provided by the American people.

Today we are approving a budget plan that, if we follow it, will: first and foremost pay off all the publicly held debt that possibly can be paid off in the next ten years; hold the line on the growth of federal spending and the size of government; fully protect Social Security and Medicare for today’s and tomorrow’s seniors, and begin the process of modernizing them, to make them ready for today’s workers; answer the demands of the American people to take action on major needs in areas of national defense, care for our veterans, the environment, and prescription drugs; and provide modest, reasonable, and prompt tax relief to the most heavily taxed generation in American history.

Could we have produced a better budget this week? Of course we could. But I will never let the perfect be the enemy of the very, very good.

The Senate has added several billion dollars in new spending to this budget. I wish we could have done that without raiding the surplus or collecting more taxes. I wish we could have addressed priorities within the reasonable total, the increased total, proposed by the President.

But we have wisely turned down amendments for hundreds of billions of dollars in new spending, and we have stuck fairly closely to the responsible plan we and the President started with.

Whether, at the end of the year, we enact ten-year tax relief totaling $1.2 trillion, $1.6 trillion as proposed by the President, or $2 trillion, which this Senator thinks is closer to the right amount, we will have won, commonsense conservatism, we have won, and the American people will have won.

To fully appreciate where we are, we need to remember where we have been.

When I first came to Congress, in the other body, I plunged into fighting for a balanced federal budget. The jaded political veterans told me. You will never see it in your lifetime. The problem was so intractable, we formed a bipartisan coalition to push for a balanced budget amendment to the Constitution.

Eight short years ago, the experts told us we faced $300 billion budget deficits as far as the eye could see. The previous president said balancing the budget was a bad idea, and he pushed through the biggest tax increase in history to pay for more and more spending. By 1994, that tax hike, along with the Clinton health care plan to nationalize one-seventh of the economy, produced the first Republican Congress in 40 years.

Observant students of history and those with good memories will recall that the economy was limping and anemic during 1993 and 1994. That new Congress took office declaring that Job One was balancing the budget, so we could produce the surplus that would save Social Security and Medicare, pay down the debt, and provide tax relief. The real upturn, the acceleration of the markets and confidence in the economy, began when we made this commitment to responsible, limited government.

The economy received a booster shot with the bipartisan Taxpayer Relief
Act of 1997. In that bill, we cut capital gains taxes, which further unleashed the economic activity that is producing today’s surpluses.

Now, with a slowing economy, the time has come, again, for a booster shot. The Senate committee on Veterans’ Affairs recommends spending $2,228 per veteran. In 1995, VA spending per veteran was $1,466. In 2002, the Senate committee on Veterans’ Affairs recommends spending $2,228 per veteran. That is a 52 percent increase since 1995.

I also commend my Idaho colleague, Senator Crapo, for the amendment adopted last night by the Senate, to safeguard necessary funding for the Department of Energy’s Atomic Energy Defense Account. This is needed to continue progress in waste treatment and disposal, environmental remediation and closure, environmental restoration, and technology development, while meeting its legally binding compliance commitments to the states. This is of vital interest in our home state of Idaho, where the National Engineering and Environmental Laboratory, similar sites in other states, and to the environmental safety and well-being of the nation. I was pleased to cosponsor and support the bipartisan Crapo-Murray-Craig amendment.

I now look forward to resolving the differences between the Senate-passed budget and the House’s version and working in the coming months on the legislation necessary to implement this budget. We have come a long way, and today is a good day to declare victory for the American people.

Mr. Chafee. Mr. President, I rise to express my support of the budget resolution we approved today. This was a long and difficult process, but I am pleased that at the end of the day we have a document that both Republicans and Democrats can embrace.

I also extend my deep appreciation and admiration to Budget Chairman Voinovich for his usual outstanding job of overseeing the Senate’s consideration of the federal budget.

This week’s debate was about how best to allocate the apparent budget surplus that our nation is beginning to achieve. I appreciate President Bush’s leadership in calling for a part of our surplus to be returned to the taxpayers.

While all Americans may desire a tax cut, I believe it is also true that all Americans want balanced budgets. I am concerned that a tax cut of $1.6 trillion over ten years would seriously impair our ability to maintain a balanced budget, while meeting the necessary priorities of debt reduction, infrastructure development, improvement in health and education, and Social Security and Medicare reform.

I was pleased to work within the Centrist Coalition, a bipartisan group of Senators, to ensure that the tax code is balanced, that the tax base is broadened, that we keep taxes as low as possible.

I am not without my reservations about the compromise tax cut of $1.2 trillion over ten years that we have approved today. It is still large for my preference, but I recognize that in order to work in a bipartisan manner one must be able to compromise in a principled manner. I believe that that is what we have accomplished here, and that belief is borne out by the fact that 65 Senators supported the final budget, which included the compromise tax cut.

Beyond the tax cut, the Senate has made its mark on this budget. Senator Domenici brought to the floor a budget that closely reflected the President’s priorities. We took up amendment after amendment, considered each by its merits, and dispensed with them. These amendments reflected our priorities in several areas. We can see those priorities in the document that we now send to the House and Senate conferees to negotiate. We see a doubling of the money set aside for prescription drugs, to $300 billion over ten years. We see $320 billion set aside for education, which includes enough money to fully fund the Individuals with Disabilities Education Act. As a former Mayor who have a document that both Republicans and Democrats can embrace. This is a good budget. It is perhaps not perfect, but it shows the benefit of having a strong bipartisan leadership in stating his priorities, and the value of centrist leadership in Congress to win wider acceptance of the President’s proposals.

Mr. Levin. Mr. President, the Senate has begun debating the Federal budget for next year and the years ahead. We are fortunate after years of large budget deficits, to finally enjoy a projected budget surplus, a real surplus separate and apart from the Social Security surplus. While this “on-budget” surplus provides us with many possibilities, it also requires us to balance how best to use our resources within a framework of fiscal responsibility. If we choose the wrong path we could return to the days of big Federal deficits and the damage they did to our economy.

In approaching our Federal budget, I believe we should divide the projected surplus among four areas—giving the American people a fair and fiscally responsible tax relief, paying down the debt, protecting Social Security and Medicare, and responsibly investing in key priorities such as education and prescription drug coverage for seniors, environmental protection and national defense.

In deciding how to allocate the new surplus, we should first and foremost remember it is a projection for ten years downstream, so it is highly speculative. In fact, the Congressional Budget Office, CBO, cautions legislators that there is only a 10 percent...
likelihood that its ten-year projection will prove accurate. This is especially troublesome because most of the surplus, upon which the President’s tax cuts rely, is not projected to accrue until after 2005, the most unreliable years of the projection. Historically, CBO has shown that CBO projections only 5 years in to the future have been off by as much as 268 percent.

Understanding that these projections are uncertain, here’s what I think should be done: surplus dollars that actually materialize.

First, I would protect the Social Security and Medicare trust funds. We have to take prudent steps today to ensure that as 77 million baby boomers retire over the next 30 years, the costs of their Social Security and Medicare won’t explode the Federal budget. In just 15 years, the Social Security and Medicare programs will require transfers from the “non-Social Security and non-Medicare” side of the Federal budget. Without tax benefit reform, these transfers will get larger and larger, placing enormous pressure on the federal budget—pressure that would be compounded if President Bush’s proposed tax cuts were enacted. And I think it is imperative to set aside those surpluses that are currently accumulating in these trust funds and not use them for new spending or tax cuts—as the President’s budget proposes to do.

Further, I would dedicate one-third of the projected $2.5 trillion non-Social Security, non-Medicare surplus for tax cuts. We have proposed an immediate stimulus tax cut package that could provide taxpayers with up to $450 of relief this year, $900 for married couples filing jointly. The first part of the package would give a one-time tax refund to everyone who paid payroll or income taxes last year, in 2000. Couples would get a check for $600 and singles would receive $300, all by July, if the provision were enacted now. The second part of the package would permanently cut the 15 percent income tax rate to 10 percent for the first $12,000 of taxable income for couples and the first $6,000 of taxable income for singles. This would save couples an additional $600 per year and singles an additional $300 per year and, if enacted soon, the decrease in paycheck withholding could begin in July. This package is a truly broad-based relief measure aimed at stimulating the economy.

We also should increase the Earned Income Tax Credit for working families with children, substantial marriage penalty relief, and the amount of money exempt from estate taxes, so that less than one percent of the country’s wealthiest estates would remain on the tax roll. Under this approach, all American taxpayers would get a tax cut, but the lion’s share would go to middle income Americans, that is to those who need it most.

President Bush’s plan mostly benefits the wealthiest among us. Under his plan, 5 percent of taxpayers would get more than 50 percent of the benefit. As a result, most of the surplus is used in tax cuts, leaving little or nothing for debt reduction and other important priorities.

While this top 5 percent would receive huge tax breaks under the President’s plan, it leaves 25 million taxpayers, Americans who pay their Federal taxes through payroll taxes, without a single dollar of tax relief. I agree with President Bush when he said that every American taxpayer should receive tax relief. But his plan, which leaves out 25 million people, falls far short of that goal and leaves out those taxpayers who need relief the most.

In addition to providing tax relief, we need to dedicate a large portion of the surplus to reducing our debt so that we don’t push this immense burden onto our children and grandchildren. For the first time in a generation, we have the surpluses and the resources to pay down the enormous debt and we should do so. Additionally, by paying down the debt, we can help keep interest rates low well into the future giving all Americans an economic benefit.

Our plan calls for dedicating one-third of the non-Social Security, non-Medicare surplus to reducing the $3 trillion plus portion of our national debt that is outstanding and held by domestic and foreign investors. In contrast, the President’s budget does not use any of the projected non-Social Security, non-Medicare surplus for debt reduction.

Finally, we need to invest some of our surplus responsibly in new initiatives and important benefits, like prescription drug coverage for seniors and education programs for our students. Using one-third of our non-Social Security, non-Medicare surplus to meet the basic life-sustaining needs of our seniors, to build a smarter 21st century workforce, and to prepare for other unforeseen challenges, will pay huge dividends in the long run. President Bush’s budget—focusing on tax cuts at the expense of everything else—leaves little room for new investments or unanticipated needs and actually makes drastic cuts to some very important federal programs which millions of Americans and the communities they live in count on.

The next chart compares the Democratic plan to President Bush’s plan, showing how the Bush plan comes up short in key areas because of the size of the tax cut.

As budget debate continues in the weeks ahead, Congress will be making some important decisions regarding our country’s future. We have the ability to provide targeted tax relief, fund some important national priorities and protect Social Security and Medicare for future generations, while dedicating significant resources to paying down the national debt. To achieve all of these goals, we need to act wisely today so that we strengthen our economy in the long run, not weaken it once again by risking a large Federal deficit with an excessive tax cut benefitting mostly those who need it least.

Mr. President, I ask unanimous consent to print the charts in the RECORD.

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

CHART 1

HISTORY OF UNRELIABILITY IN BUDGET PROJECTIONS: FIVE-YEAR PROJECTED V. ACTUAL SURPLUS OR DEFICIT

[Projected in 1985 for 1990, 1986 for 1991, etc. in billions of dollars]

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected</th>
<th>Actual</th>
<th>Difference</th>
<th>Percent of error</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>$167</td>
<td>$220</td>
<td>$53</td>
<td>31.7</td>
</tr>
<tr>
<td>1991</td>
<td>$100</td>
<td>$265</td>
<td>$165</td>
<td>14.0%</td>
</tr>
<tr>
<td>1992</td>
<td>$85</td>
<td>$290</td>
<td>$205</td>
<td>24.2%</td>
</tr>
<tr>
<td>1993</td>
<td>$129</td>
<td>$315</td>
<td>$186</td>
<td>57.3%</td>
</tr>
<tr>
<td>1994</td>
<td>$130</td>
<td>$103</td>
<td>$27</td>
<td>16.6%</td>
</tr>
<tr>
<td>1995</td>
<td>$128</td>
<td>$164</td>
<td>$36</td>
<td>28.1%</td>
</tr>
<tr>
<td>1996</td>
<td>$178</td>
<td>$107</td>
<td>$71</td>
<td>38.9%</td>
</tr>
<tr>
<td>1997</td>
<td>$319</td>
<td>$22</td>
<td>$297</td>
<td>93.1%</td>
</tr>
<tr>
<td>1998</td>
<td>$160</td>
<td>$151</td>
<td>$9</td>
<td>5.6%</td>
</tr>
<tr>
<td>1999</td>
<td>$182</td>
<td>$124</td>
<td>$58</td>
<td>32.1%</td>
</tr>
<tr>
<td>2000</td>
<td>$124</td>
<td>$160</td>
<td>$36</td>
<td>26.8%</td>
</tr>
</tbody>
</table>

CHART 2

Tax relief for a family of four (2 parents, 2 kids) in 2002:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Bush</th>
<th>Democratic alternative</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000</td>
<td>$0</td>
<td>$2,000</td>
</tr>
<tr>
<td>$50,000</td>
<td>$300</td>
<td>$525</td>
</tr>
<tr>
<td>$75,000</td>
<td>$425</td>
<td>$525</td>
</tr>
<tr>
<td>$100,000</td>
<td>$1,676</td>
<td>$525</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>$13,777</td>
<td>$525</td>
</tr>
</tbody>
</table>

Bushi plan phases in all cuts over 10 years, so his cuts would get much larger from 2005–2010; Dem plan is fully phased in by 2003, except for estate tax relief.

Source: Senate Finance Committee, Democratic Staff, Democratic Policy Committee.

CHART 3

Budget cuts to non-protected agencies

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>–8.6</td>
</tr>
<tr>
<td>Commerce</td>
<td>–16.6</td>
</tr>
<tr>
<td>Energy</td>
<td>–6.8</td>
</tr>
<tr>
<td>HUD</td>
<td>–11.3</td>
</tr>
<tr>
<td>Interior</td>
<td>–7.0</td>
</tr>
<tr>
<td>Justice</td>
<td>–8.8</td>
</tr>
<tr>
<td>Labor</td>
<td>–7.4</td>
</tr>
<tr>
<td>Transportation</td>
<td>–15.0</td>
</tr>
<tr>
<td>Army Corps of Engineers</td>
<td>–16.9</td>
</tr>
<tr>
<td>EPA</td>
<td>–9.4</td>
</tr>
<tr>
<td>FEMA</td>
<td>–20.2</td>
</tr>
<tr>
<td>NASA</td>
<td>–1.1</td>
</tr>
<tr>
<td>Small Business Administration</td>
<td>–46.4</td>
</tr>
</tbody>
</table>

Numbers represent the Bush budget’s percentage cut in budget authority for appropriated programs for FY2002 below the amount needed, according to CBO, to maintain purchasing power for current services.

CHART 4

DIFFERENCES IN USE OF $3 TRILLION PROJECTED 10-YEAR NON-SOCIAL SECURITY SURPLUS

<table>
<thead>
<tr>
<th>Description</th>
<th>Democratic</th>
<th>Bush</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Cut</td>
<td>$833 billion</td>
<td>$2,500 billion</td>
</tr>
</tbody>
</table>

$833 billion = $700 billion in new tax relief and $133 billion in spending. $2,500 billion = $2,200 billion in new tax relief and $300 billion in spending.
We also need to invest in our children’s education by hiring more teachers, increasing teacher pay, providing enhanced training opportunities, and modernizing our educational system. And, we need to commit to programs that keep our citizens safe, and our environment clean.

We seem to be tripping over ourselves right now to spend a surplus—either on tax cuts or on increased discretionary spending—that, frankly, we are uncertain will even appear. As we all know, projections are notoriously inaccurate and, therefore, highly likely to be wrong even if they are only for the upcoming year. Based on its track record, the Congressional Budget Office says its surplus estimate for 2001 could be off in one direction or the other by $52 billion. By 2006, this figure could be off by $412 billion.

Remember that last year CBO projected that the ten-year surplus would be $3.2 trillion, $2.4 trillion less than the President’s $5.6 trillion. But it seems that the President is concerned about projections for the upcoming year. However, we must not forget that in addition to figuring ways to fund our political priorities, it is our duty to focus on meeting our national responsibilities.

And this is where my concern rests with the President’s budget. I believe that Congress can enact reasonable and responsible tax relief while fulfilling our nation’s responsibilities. But I believe that the President is funding a $20.0 trillion tax cut at the expense of other programs. A tax cut this large would use 81 percent of the non-Social Security, non-Medicare surplus over the next ten years, leaving the President and Congress $527 billion, or just 20 percent of the on-budget surpluses to address critical priorities such as additional debt reduction, expanding educational opportunities, providing a prescription drug benefit, keeping our environment safe, and ensuring our nation’s safety.

In reviewing the President’s Budget Blueprint, I am concerned that his proposals shortchange important needs that Americans depend upon. I find it remarkable, for example, that the President proposes to cut funding to the Energy Department by almost one billion dollars—the equivalent of the non-Social Security, non-Medicare surplus. And when we take both of those trust funds off the budget line, we are left with $2.7 trillion over the next ten years with which to work.

It is critical that the funding levels in our budget guarantee that Americans have access to needed health care.
the region, there were no deaths. And there is no doubt in anyone’s mind, especially mine, that one of the main reasons this powerful quake did relatively little damage was because of the millions of dollars my state and our 31 counties have been spending on retrofitting buildings and preparing for such an event, dollars that were leveraged by Project Impact. For example, inspectors at Stevens elementary school in the Seattle school district followed the earthquake revealed that a 300-gallon water tank directly above a classroom had broken free of its cables. The inspectors concluded that if it were not for a Project Impact retrofit project, the tank could have caused serious, potentially fatal injuries to children in the classroom, as well as significant property damage.

Mr. President, as I toured the communities in my state affected by the earthquake and spoke with local officials, I heard other examples, like this story from Stevens Elementary, that prove the effectiveness of the Project Impact program. By cutting funds for this vital program, we would be depriving cities throughout our country an opportunity to mitigate and possibly avert potentially catastrophic consequences of natural disaster.

I am also concerned about the massive cuts proposed for the U.S. Export-Import Bank and the Overseas Private Investment Corporation. These two agencies are critical to maintaining U.S. competitiveness in the international economy through assistance programs that effectively increase U.S. exports and provides jobs to American workers. Although Ex-Im represents a minuscule fraction of the Federal budget, it provided $15 billion in export sales last year. The President’s proposed 25 percent cut in Ex-Im bank would be a terrible mistake that could eliminate up to $4 billion in U.S. exports sales, which over the last thirty years has generated $63.6 billion in U.S. exports and nearly 250,000 American jobs, ultimately operates at no net cost to U.S. taxpayers. Indeed, it actually returns money to the U.S. treasury and provides valuable assistance to U.S. companies seeking to invest and expand their operations abroad.

The support and funding of Ex-Im Bank and OPIC is a highly efficient way for U.S. companies, especially for smaller companies exporting to higher-risk markets. The proposed cuts could be devastating to American companies and undermine our efforts to compete in the international economy. Mr. President, these programs should be de-politicized and their efforts to support U.S. exporters globally should be backed solidly by this chamber.

I know there are some in the Senate who support the President’s proposed $2.0 trillion tax cut as a means for stimulating the economy. But this proposal would do little toward this end. Ninety-five percent of the tax cuts in the President’s plan occur after 2003. By the time the tax cut takes full effect, the economy will have changed dramatically. These back-loaded tax cuts would do little to boost families’ spending power immediately, and to help American workers to be more competitive in the months ahead. And in fact, even the Chairman of the Federal Reserve Board, Alan Greenspan, has said tax initiatives historically have proved difficult to implement in a time frame in which recessions have developed and ended.

This tax cut doesn’t even go proportionally to every American. Forty-three percent of the benefits of the President’s tax plan are targeted to the wealthiest one percent of families—those with an average annual income over $915,000. Surprisingly, 25 percent of Washington’s working families and almost 400,000 of the children in Washington state services get any benefit from the Bush tax plan. Unfortunately, while relying on surpluses that may or may not appear, and funding a tax cut that does disproportionately to the wealthiest families and nations that will be stimulated in long-term growth, the President’s budget eliminates funding to modernize aging schools, cuts maternal and child health programs, eliminates grants to hospitals and community health centers that serve uninsured and under-insured people, and cuts job training and employment services.

Responsible budgeting is a give-and-take. The country is at a critical juncture in setting our fiscal priorities: our choices are maintaining our fiscal discipline and investing in long-term growth, the nation’s future education, job training and health care needs, or allowing the economy to slow and unemployment to rise. Responsible budgeting is a give-and-take. The country has a choice: to support education, health care and long-term growth, or to continue with the policies of the past eight years.

The Republican budget ignores the lessons of the past eight years. Instead of focusing on real numbers and realistic estimates, the Republican budget puts all its faith in projected surpluses that may never materialize. What’s more, the Republican budget hides some of the most important numbers, the cuts that many Americans will feel, in order to pay for a huge tax cut. Instead of investing in our people, the Republican budget shortchanges America’s needs. In a few minutes, I’ll detail some of the benefits the Republican budget eliminates including education, health care and environment. Instead of being fiscally responsible, the Republican budget asks us to commit to a $1.7 trillion tax cut, which is paid for out of the Medicare trust fund. Nothing is more fiscally irresponsible than taking money that pays for seniors’ medical care and giving it away to a handful of Americans. Finally, instead of working together, the Republican budget offers an example of partisanship at its worst. The Democratic alternative budget has proposed the committee process entirely, something that is almost unheard of: to avoid having to work out these differences in a responsible, bipartisan way.

As a member of the Senate Budget Committee, I find it completely unacceptable that we would rush to the floor a $1.9 trillion FY 2002 budget with no Committee consideration. Worst of all, because this partisan maneuvering is coming not at the beginning of the budget process, it could set the tone for a bitter session ahead. Our country learned a lot about responsible budgeting in the past eight years. Unfortunately, this year, the Republican leadership is ignoring those lessons so they can ram through an irresponsible tax cut. I don’t want the American people to pay the price for such irresponsible budgeting. That’s why, together with my Democratic colleagues, we are offering an alternative budget. The Democratic alternative budget takes the lessons of the past few years and applies them to the benefit of the American people.

Now I would like to turn to some of the specific issues addressed in this budget, starting with a tax relief. I want to be clear that I strongly support tax relief. In fact, we should be debating immediate, real tax relief for all Americans that can stimulate the economy and help my constituents pay their bills. The Republican budget would be acting on a $60 billion tax rebate that would be available this year, not in three years or five years. This type
of immediate tax relief will give American families the added boost and confidence they need to hold off a real recession. Instead, this Senate is acting on a budget that calls for $1.7 trillion in tax cuts based on a surplus that has yet to materialize. And we are acting before we even know the true impact of that budget. We won't know that until the President releases his detailed budget on April 9. The leadership would rather have us vote now and learn the consequences later.

Now I would like to turn to a few issues that the Republican budget underfunds, which the Democratic Alternative funds at the right level. Let's begin with prescription drugs. The lack of affordable drug coverage is not just a problem for those with very low incomes. All seniors and the disabled face the escalating cost of prescription drugs and the lack of affordable coverage. One or two chronic conditions can wipe out a couple’s life savings in a few years. Originally, the prescription drug benefit was estimated to cost $153 billion. But now, recent estimates show that it will take about twice that amount to provide a real benefit. We know that seniors need an affordable prescription drug benefit that's part of Medicare. The Republican budget does not set aside enough money to provide this benefit. This Democratic amendment does.

The Republican budget not only shortchanges the prescription drug benefit but also shorts the Part A Trust Fund surplus to pay for a scaled-back benefit. It takes money from hospitals, skilled nursing facilities and home health agencies to provide a limited prescription drug benefit. The surplus in the Part A Trust Fund should be used to strengthen Medicare and stabilize providers. I believe we can invest more of the surplus into a prescription drug benefit that all Medicare beneficiaries can access—instead of the limited benefit the Republicans offer.

There is another health care issue that the Republican budget shortchanges. Today, 44 million Americans don’t have health insurance. When they need care, they go to the emergency room. ER’s in this country are overwhelmed and on the verge of collapsing. It is getting harder for them to treat real emergencies. I know we can do better. We can expand programs that keep families secure and affordable coverage. The Democratic alternative also reserves as much as $80 billion to address the growing uninsured population. We need to expand coverage for working families to provide a true health care safety net. Congress cannot ignore the uninsured any longer. In fact, as the economy slows down the number of uninsured will only increase. We need a real safety net for working families. The Democratic alternative provides the resources to meet this challenge. The Republican budget does not.

We also need to provide health care to families with severely disabled children. These families are often forced to impoverish themselves to provide care for their children. Some families must make the impossible choice between the welfare of their disabled child and the economic stability of their family. And we are putting them in that situation. The Democratic alternative invests in health care for those who lack coverage.

Next I'd like to turn to an environmental issue. In the Pacific Northwest, several species of salmon are threatened with extinction. This isn't just a symbolic issue. The people of Washington state have a legal, and a moral responsibility to save these threatened species. The Pacific Northwest needs $400 million through various federal agencies to meet the biological opinion on salmon recovery. As my colleagues may know, the National Marine Fisheries Service recently finalized a biological opinion. That opinion outlines the steps we need to take to save salmon and keep removal of the Snake River’s four dams off the table and out of the courts. The Republican budget does not provide the resources we need. The Democratic alternative does.

In Washington state, we also face the challenge of cleaning up the Hanford Nuclear Reservation. Hanford Cleanup has always been a non-partisan issue, and I want to keep it that way. There was a consensus in February that the Bush budget would cut clean-up funds. I talked to the White House budget director, Mitch Daniels, and he assured me that there would actually be an increase in funding for Hanford clean-up. However, the President’s proposed cut of the nuclear cleanup program makes it difficult to meet the federal government's legal obligations in this area. Any retreat from our clean-up commitment would certainly result in legal action by the state of Washington. In February, I talked to the White House about our legal obligations to clean up the Hanford Nuclear Reservation, we need an increase of approximately $330 million. The price of America's victory in World War II and the Cold War is buried in underground storage tanks and in facilities. And we've got to clean them up.

Next I'd like to turn to the energy crisis. In Washington state, higher energy prices have already cost us thousands of jobs. One report suggests that Washington state could lose 43,000 jobs if we fail to take any action to stem higher energy costs. The short term solution to the energy crisis in the Pacific Northwest will not be found in the budget resolvers. Bypassing the framework for a national energy policy should be. The President is proposing dramatic budget cuts in renewable energy research and development. This is taking us in the wrong direction. As the Democratic alternative promotes, we must face the challenge on carbon emissions by devoting public resources to renewable energy sources to promote innovation and efficiency. Of particular concern is the Bush budget's failure to set aside enough money to provide an affordable drug benefit that's part of Medicare. The Republican budget does not provide the resources needed to treat real emergencies. I know we can wipe out a couple’s life savings in a few years. Originally, the prescription drug benefit was estimated to cost $153 billion. But now, recent estimates show that it will take about twice that amount to provide a real benefit.

The impact of the Republican tax cut on the Federal Government's ability to address the most pressing concerns of the American people would be devastating. It is too large to fit into any responsible budget. The available surplus over the next ten years is, at
most, $2.7 trillion. Whatever we do over the next decade to address this country’s unmet needs must be paid for from that amount. Whatever we want to do to financially strengthen Social Security and Medicare for future retirees must be funded from that amount. Whatever we want to do to hold in reserve for unanticipated problems must also come from that amount.

President Bush tells us his tax cut will only cost $1.6 trillion. But the Administration’s own budget document acknowledges that the tax cut will consume more than $2 trillion of the surplus. Independent analysts have shown that the real cost of the tax cuts which the Republicans support will be close to $2.5 trillion over the next ten years, consuming 90 percent of the available surplus. There will be less than $200 billion, just $20 billion a year, left to finance everything we hope to accomplish in the decade ahead. The Republican budget does not add up.

What good is a tax cut for working families? There will simply be no money left to address the problems that concern them most: An elderly grandmother will not be able to afford the cost of the prescription drugs she needs. A working family with young grandchildren will go to overcrowded schools where the classroom may be in a trailer and where the teachers are too busy to give them the individual attention they need. Their children will not be able to attend a college because the grant and loan assistance available to them will not have kept pace with the cost of tuition; Their parents will not have access to the technology training needed to move up the career ladder at work; so they may be stuck in a dead end job; If the family in among the 44 million Americans who do not receive health coverage at work and who cannot afford to purchase it, they will get no significant new help with their medical costs. And if they live in a crime neighborhood, there will be fewer cops on the street to ensure their safety.

But what about the tax cut? What will the Bush tax plan do for families like this? Unfortunately, it will not do much. The Republican tax cut is heavily slanted toward the wealthy. Over 40 percent of the entire tax cut nearly one trillion dollars in tax breaks will go to the richest 1 percent of taxpayers. They would get an average of $54,000 each year in tax benefits. This is more than most workers earn in a year.

Under the Bush plan, 60 percent of working families will save $500 or less a year in taxes. Twelve million low income working families would get any tax cut under the Bush plan, even though they pay federal taxes every year. The Republican tax cut is just not fair. It does the least for people who need help the most, the same people who get the programs which the Republicans want to cut.

The Democratic budget plan stands in stark contrast to the Republican plan. Budgets are a reflection of our real values, and these two budgets clearly demonstrate how different the values of the two parties are. In political speeches, it is easy to be all things to all people. But the budget we vote for shows who we really are and what we really stand for. In our budget is geared to the needs of working families. It will provide them with tax relief, but it will also address their education and health care needs. And it will protect Social Security and Medicare, on which they depend for secure retirement.

There are four criteria by which we should evaluate a budget plan: 1. is it a fiscally responsible, balanced program? 2. does it protect Social Security and Medicare for future generations? 3. does it adequately address America’s urgent national needs?, and 4. does it distribute the benefits of the surplus fairly amongst all Americans? By each yardstick, the Republican budget fails to measure up. The Democratic budget is a far sounder blueprint for building America’s future.

Once the Social Security and Medicare surpluses are reserved for the payment of future benefits, the available surplus is projected to be $2.7 trillion over the next ten years. The heart of the difference between the Democratic and Republican budgets is how each would use this surplus. The Democratic proposal would divide the surplus into thirds; allocating $500 billion for tax cuts, $500 billion for programs, and $900 billion for debt reduction. This contrasts sharply with the Republican plan, in which tax cuts would consume 90 percent of the surplus.

When President Bush cites $1.6 trillion as the cost of his tax cut, he neglects the increased cost—more than $400 billion—of interest on the larger national debt caused by the tax cut. He ignores the $240 billion cost already added to elements of the Bush plan by House Republicans. His plan also ignores the $200 billion cost of revising the Alternative Minimum Tax to prevent an unintended increase in taxes on middle income families, and the $100 billion cost of extending existing tax credits through the decade. In reality, the Bush tax cut will consume $2.5 trillion over the decade.

By consuming $2.5 trillion of the $2.7 trillion available surplus on tax cuts, the Republican budget would leave virtually nothing over the next ten years: to strengthen Social Security and Medicare before the baby boomers retire, to begin the quality prescription drug benefit that seniors desperately need, to provide the education increases that the nation’s children deserve, to train and protect the American workers whose increased productivity has proved essential to our strong economy, to advance scientific research, to improve the nation’s military readiness, to improve the security of family farmers, and to avoid burdening our children with the debt that we have accumulated.

After the Bush tax cut, we will not have the resources to meet these urgent challenges. There will simply be no money left.

The Democratic plan strikes a balance between tax cuts and addressing these important national priorities. It provides $900 billion to finance tax relief for the American people. This amount would allow a tax rate cut for all taxpayers, marriage penalty relief, and a doubling of the child tax credit. It would also enable us to implement several of the most widely supported targeted tax cuts such as making college tuition tax deductible and providing a tax credit for long-term care costs.

I support a substantial tax cut, such as the one I just outlined, but not one that is so large that it crowds out investment in national priorities like education, health care, worker training and scientific research. Not one that is so large that it jeopardizes Medicare and Social Security. Not one that is so large that it threatens to return us to the era of large deficits.

By authorizing a third of the surplus for spending on the nation’s most important priorities, the Democratic plan would enable us to improve education by reducing class size and enhancing teacher quality, to provide senior citizens with meaningful assistance with the cost of prescription drug coverage, to strengthen health care for many uninsured families, and to expand worker training opportunities and scientific research that will strengthen our economy. These are important initiatives that have overwhelming public support. The Democratic budget allows us to pursue these goals. Unfortunately, the Republican budget does not.

By reserving one third of the surplus for debt reduction, the Democratic plan provides a safety value should the full surplus materialize, it will be used to pay down the debt. If projections fall short, we will have a cushion. The $2.7 trillion is only a projected surplus. The Congressional Budget Office itself recognizes that a small reduction in the growth of the economy would reduce its surplus estimates by trillions of dollars. Its projection for the next decade is based on a growth rate which the economy has only achieved in 5 of the last 35 years. Forecasts in advance is no more reliable than forecasting the weather ten years in advance. Recent events should vividly remind us how difficult it is to predict the economy even one year ahead. CBO also acknowledges that there is a 33 percent chance that the on-budget surplus will be less than half the size it has projected... less than half. Without a
large reserve, Social Security is vulnerable to a new raid if the projected level of surplus fails to materialize.

In order to truly protect Social Security and Medicare, the budget we adopt must 1. reserve the entire Social Security and Medicare surplus to pay for future retirement and medical benefits; and 2. devote a substantial portion of the available surplus to strengthen Social Security and Medicare by reducing long-term debt. The Democratic budget does both, and the Republican budget does neither.

The Social Security and Medicare surpluses are comprised of payroll taxes that workers deposit with the Government to pay for their future Social Security and Medicare benefits. Just because the Government does not pay all those dollars out this year does not make us free to spend them. Over the next ten years, Social Security will take in $2.5 trillion more dollars than it will pay out and Medicare will take in $2.5 trillion more dollars than it will pay out. But every penny of this will be needed to provide Social Security and Medicare benefits when the baby boomers retire.

The Republican budget fails to set the aside $2.5 trillion aside to cover the cost of future Social Security and Medicare benefits. It only protects $2 trillion of that amount. The remaining $900 billion is used for other purposes. This threatens the retirement benefits of current workers. While the Bush budget is vague on just how this money will be used, it appears that more than $500 billion of it will be used to finance the Administration’s scheme to create private retirement accounts. I believe it would be terribly wrong to take money out of Social Security to finance risky private accounts.

The Republican budget is even more reckless in its treatment of the $400 billion Medicare surplus. The Bush Administration would give to the Medicare dollars no special protection. It would co-mingle them in a contingency fund available to pay for their tax cuts and new spending.

The threat posed by the Republican budget to Social Security and Medicare is very real. It removes $900 billion that already belong to these essential programs.

Democrats are committed to keeping Social Security and Medicare strong. We are demanding that payroll taxes be raised to provide the Medicare dollars no special protection. It would co-mingle them in a contingency fund available to pay for their tax cuts and new spending.

The contrast between the Democratic and Republican budgets on Social Security and Medicare could not be greater. The Democrats would use $900 billion of the available surplus to strengthen Social Security and Medicare by paying down the debt. Republicans would remove $900 billion from Social Security and Medicare, and they would spend these dollars for other purposes.

Many of America’s most critical unmet needs are in the areas of health care and education. The surplus affords us the unprecedented opportunity to address these national concerns. Unfortunately, the Republican budget seriously short-changes them both.

One of our highest health care priorities should be assisting seniors with the cost of prescription drugs. America’s seniors desperately need access to prescription drugs, and President Bush only provides a placebo. He says the right things about how important it is to provide prescription drugs, but the numbers in the Republican budget prove that his words can not pass the truth in advertising test.

There can be no question about the urgent need for a Medicare prescription drug benefit. A third of senior citizens, 12 million people have no prescription drugs. The Bush plan is no protection of all this. Unfortunately, senior citizens have prescription drug coverage throughout the year. Meanwhile, last year alone prescription drug costs increased an average 17 percent.

The Republican budget provides only $153 billion over the decade to finance a prescription drug assistance for seniors. That amount is woefully inadequate. A real drug benefit available to all seniors would cost more than twice that amount. Yet, even the $153 billion which the Bush budget purports to provide is illusory. These are not new dollars. They come out of the $400 billion Medicare surplus which was improperly removed from the Medicare Trust Fund.

Unlike Republican proposals, the Democratic plan would provide drug coverage to all seniors through Medicare. The Democratic budget provides $311 billion to make prescription drugs affordable for seniors. It is the only real plan to protect Medicare.

The Republican budget also fails to address the needs of the Nation’s uninsured. An uninsured family is exposed to financial disaster in the event of serious illness. The health consequences of being uninsured are even more devastating. In any given year, one-third of people without insurance go without needed medical care. The chilling bottom line is that 83,000 Americans die every year because they have no insurance. Being uninsured is the seventh leading cause of death in America. Our failure to provide health insurance for every citizen kills more people than kidney disease, liver disease, and AIDS combined.

In Candidate Bush severely criticized the Clinton-Gore Administration for what he described as an inadequate response to this crisis. But the budget resolution that his Republican colleagues have presented does nothing meaningful to expand health coverage. In the case of Medicare, the administration’s budget surpluses, isn’t it more important to assure that children and their parents can see a doctor when they fall ill than it is to provide new tax breaks for multi-millionaires?

The Republican budget provides 80 billion new dollars over the decade to extend health care coverage to uninsured families. Over the last few years, this Administration has provided health coverage for children. However, there are many more children who still lack basic health coverage. These children, and their entire families, desperately need access to health care. The most effective way to provide health care coverage to the entire family. We are committed to taking this next step.

Given how much President Bush has talked about education, it may come as a surprise to hear that education is one of the national priorities he has seriously shortchanged. But, sadly that is what the facts of the Republican budget show. The claim that President Bush increases funding for the U.S. Department of Education by $4.6 billion or 5.7 percent this year is the purest fantasy. Smoke and mirrors produced these numbers.

President Bush counts $2.1 billion that President Clinton and the 106th Congress approved last year as part of his increase. But President Bush did nothing on education, almost half of “his increase” would happen anyway. The real increase that he proposes is $2.4 billion—only 5.7 percent above a freeze. And $600 million of the $2.4 billion increase is needed just to keep up with inflation. In reality, President Bush proposes only $1.8 billion in new money for education next year, a mere 4 percent above inflation.

President Bush’s education budget next year is a step backwards. It does not keep up with the average 13 percent annual increase Congress has provided for education over the last 5 years, and it will not enable communities and families across the country to meet their education needs.

This year, schools confront record enrollments of 53 million elementary and secondary school students, and that number will continue to rise steadily, reaching an average six percent increase in student enrollment each year. President Bush’s budget fails to keep pace with population growth in schools, and under the budget he proposes, Federal education support per student may well decrease over the next decade.

I applaud President Bush for making reauthorization of the Elementary and Secondary Education Act a top priority. I applaud him for challenging the nation to “leave no child behind.” But I am disappointed that he has not backed his words with the resources needed to produce the action that we all agree is necessary. The Republican budget will leave many children behind.

In sharp contrast, the Democratic budget would increase investment in education by $150 billion over the decade. It is the second largest spending commitment in the Democratic plan.
This will provide the resources which will enable us to keep pace with the needs of the steadily expanding number of students in our public schools. It will allow us to significantly reduce class size, so that teachers can give individual students the attention they need. It will allow a professional development for teachers and greater access to information technology in the classroom. It will make after school programs available for children who currently have no where constructive to go. And, it will make college financially attainable for many of the students who simply cannot afford it today. It would be extraordinarily shortsighted to turn our back on these national responsibilities.

All these program cuts are made to finance the Republican tax cut, and the tax cut they would enact is grossly unfair. In reality, the wealthiest 1 percent of taxpayers, who pay 20 percent of all federal taxes, would receive over 40 percent of the tax benefits under their plan. Their average annual tax cut would be more than $54,000, more than a majority of American workers earn in a year.

The contrast is stark. Eighty percent of American families have annual incomes below $35,000. They would receive less than 30 percent of the tax benefits under Bush’s plan. The average tax cut those families would receive each year is less than $500. Twelve million lower-income families, who work and pay taxes would get no tax cut at all under Bush’s plan. If we are going to return a share of the surplus to the people, that certainly is not a fair way to do it.

Because the Bush tax cut is slanted so heavily to the wealthy, it is possible to enact a tax cut that costs less than half of President Bush’s proposal, yet actually provides more tax relief for working families. That is what the Democratic plan would do.

The Democratic tax cut proposal incorporated in our budget would cost $900 billion. It would provide a tax cut for everyone who pays income tax. In addition, it would provide tax relief for the 12 million working families that the Bush plan ignored. These low income families pay substantial payroll taxes, and they too deserve relief. The Democratic plan also provides help to couples currently hurt by the marriage penalty. By removing it, it would also allow us to help families by dubbing in the child tax credit, making college tuition tax deductible, and providing a tax credit for long term care costs. Such a program would provide greater tax relief for a substantial majority of taxpayers than the far more expensive Bush plan. That is because the tax benefits are distributed fairly.

A close look at President Bush’s budget only confirms that indeed we can not have it all. There is no way to provide massive tax cuts, eliminate the national debt, and meet the Nation’s priority needs. This Republican budget is a fantasy.

In essence, President Bush is asking working families to sacrifice while the wealthiest families in America collect far more than their fair share. This Republican budget threatens our prosperity and ignores the most fundamental national needs. It does not have the best interests of the people, and it does not deserve their support.

MR. SARBAVES. Mr. President, I rise in opposition to the budget resolution currently pending before the Senate. In my view, the budget squanders the extraordinary opportunities before us and moves the country in the wrong direction.

As we work to craft a budgetary plan to carry us through the first decade of the 21st century, we would do well not to repeat the mistakes of the last century, mistakes which could send us back into the deficit ditch from which we so recently emerged. In the early days of the Reagan administration, Congress complied with the President’s request. It now turns out that the Nation felt the negative effects of that tax cut for more than a decade, as Federal deficits grew and the national debt exploded. These were not good economic times for the country.

I am proud to have been a part of the effort in 1995 that helped to turn things around. Working together, the President and Congressional Democrats crafted a package that finally brought the Federal deficit under control. By choosing a $578 billion cut in Federal spending, we tamed the deficits that plagued the Nation throughout the 1980s. Most Republicans argued at the time that this responsible package would ruin the economy and send markets tumbling. They were dead wrong.

Thanks to the approach we adopted in 1995, the Nation enjoyed a remarkable period of economic prosperity. This disciplined fiscal policy gave the Federal Reserve room to run an accommodating monetary policy that allowed the economy to sustain the longest expansion in U.S. history. The economic expansion brought unemployment down to 4 percent, helped turn budget deficits into surpluses, and produced an expansion in investment that led to rising levels of productivity, which in turn kept inflation at very low levels. It was a remarkable achievement.

All this is the economy is now slowing somewhat, I do not believe we should embark on a dramatic shift in our fiscal policy. Doing so would only jeopardize the gains we have made thus far. Instead, we must continue to pursue a balanced approach that combines debt reduction, a short-term tax cut benefitting working people, and spending on urgent national needs.

The budget resolution before us takes exactly the opposite approach. It is unbalanced, proposing to cut taxes by more than $1.1 trillion, while closing $2.2 trillion when associated interest costs are included. I am deeply concerned that if we pass this resolution, we will be repeating the mistake we made in 1981 and squandering the fiscal security we have worked so hard to achieve.

Before I consider the substance of the budget resolution in detail, I would like to take a moment to comment on the process. Our consideration of this budget resolution is unusual even unprecedented—in two important ways. First, we have not had a mark-up in the Budget Committee; instead, we are debating the budget for the first time here on the Senate floor. Second, we are debating the budget resolution without the President’s detailed budget submission.

I am proud to be a member of the Senate Budget Committee, the only Committee in the Senate that is uniquely focused on the Federal budget. This year, the Budget Committee has held a series of informative hearings on issues such as tax policy, debt finance, and the impact of future demographic changes on our economic outlook. However, the task before the Committee is not simply to hold hearings, but rather to use the perspective and knowledge gained from those hearings to develop a responsible Federal budget. Chairman DOMENICI’s unprecedented failure to hold a markup has prevented us from fulfilling the committee’s primary duty.

Even more troubling is the fact that we have not yet received the President’s detailed budget submission. We have only the vague outlines, and will not receive the specifics until next week. It defies logic to vote on a budget resolution before we have seen the budget. It is impossible to debate the merits of the President’s proposed spending cuts when we have not been told which programs will be cut, nor can we have an informed debate on the President’s tax cut proposals, because the Joint Tax Committee has not been given enough detail about those proposals to estimate their true cost. Nonetheless, the Republican leadership has chosen to move forward with their budget resolution.

Let me turn now to the substance of their proposals. First, I think it is important to understand that this budget resolution is based on very uncertain long-term projections. The limitations inherent in economic projections are clearly illustrated by recent experience: just 6 years ago, in January 1995, the Congressional Budget Office projected that we would finish the year 2000 with a $342 billion deficit. Instead, we saw a surplus of $236 billion—a swing of $578 billion.

In fact, most of the projected surplus over the next 10 years is expected to occur in the last 5 years of the projection period. Our consideration of this budget resolution is perhaps the most uncertain: almost 65 percent of the unified surplus and almost 70 percent of the non-Social Security surplus are projected to occur in 2007–2011, the last 5 years of the projection period. I believe we should be unwilling to commit these uncertain surpluses to large, permanent tax cuts, as the Republican budget does.
Moreover, the tax cuts proposed by the Republicans disproportionately benefit the wealthiest among us, and leave few resources for meeting important national priorities. I strongly believe that any surplus realized in the near future should be seen as an opportunity to pay down the Nation's debt, invest in our Nation's future, and shore up vital programs. I am deeply concerned that the budget resolution before us fails to take advantage of an unprecedented opportunity to ensure that the Federal Government will meet its obligations after the baby boomers retire and beyond. This budget would endanger our hard-won progress and shortchange national priorities that the American people want to see addressed. The budget does not ensure that Social Security and Medicare funds will be safeguarded to pay current obligations, but instead allows these to be used to finance other purposes. The budget devotes insufficient funds for a Medicare prescription drug benefit. Deep cuts would be required in a variety of crucial programs.

Let me turn to some of the ways in which this budget fails to meet America's urgent priorities. We are facing a number of critical infrastructure needs. For example, EPA estimates that some 218 million Americans still live within 10 miles of a polluted body of water—a river, lake, beach or estuary. Nearly 300,000 miles of rivers and streams and approximately 5 million acres of lakes still do not meet state water quality goals. National treasures like the Chesapeake Bay and Lakes still face significant water quality problems from municipal discharges of nutrients and other pollutants. Thousands of communities across the country have separate sanitary sewer systems, and experience overflows under certain conditions, sending raw sewage into nearby waters, posing significant public health and environmental risks. Published studies have estimated that contaminated drinking water is responsible for nearly 7 million cases of waterborne diseases and approximately 1.2 million deaths in the U.S. each year.

In February, the Water Infrastructure Network (WIN), a coalition of local elected officials, drinking and wastewater service providers, contractors, unions, and environmental groups, released a report which identified a need for a $57 billion Federal investment in upgrading and maintaining our wastewater and drinking water systems. The budget resolution fails to address these needs.

The budget resolution also fails to address what I consider one of America's most vital priorities—ensuring that all Americans live in decent, safe, and affordable housing. Even as the Nation has achieved record levels of homeownership and continues to suffer from a shortfall of affordable rental housing that is reaching crisis proportions. According to HUD, nearly 5 million American families, despite years of economic growth, job growth, and income growth, continued to suffer from what are called "worst case" housing needs. This means that they pay over half their income in rent.

Take a minute to imagine that. If you were paying half your income in rent, what would you do if your child fell ill and you had an unexpected medical bill? What would you do if your car broke down and needed to be repaired? What would you do if energy prices skyrocketed, forcing you to pay more to heat your home? You'd be forced to choose between paying your rent or your job or your home.

A more expansive study by the Center for Housing Policy shows that millions more American families, including 3 million working households, suffer from unaffordable housing need. Yet, the budget resolution follows the proposals made by the President to cut the federal housing budget by a total of $1.3 billion, or 5 percent below the current level. When you take inflation into account, this means a real cut of about 8 percent, or $2.2 billion. Specifically, the President proposed that 25 percent of the public housing capital fund be eliminated. This proposal is made in the face of documented capital needs in excess of $20 billion, a backlog that has been confirmed by independent studies.

In 1998, we worked on a bipartisan basis to reform the public housing program. We passed a strong bill that greatly increased federal assistance, and asked housing authorities to be more creative in seeking out new sources of capital to meet their capital needs. Many housing authorities have done just this, working with Wall Street to sell bonds backed by capital account appropriations. The success of this whole endeavor is now put in doubt because of the proposed cuts.

The Republican budget also cuts CDBG by over $400 million, eliminates HUD's rural housing program, and unnecessarily constrains state and local governments in their use of HOME funds. In addition, the budget inexplicably terminates the Public Housing Drug Elimination Program (PHDEP), arguing that, somehow, evictions solve the problem. PHDEP funds are used to provide tutoring to children, they help provide effective alternatives to keeping kids off the streets, out of gangs, and away from trouble. These funds pay for integration of police and school presence. They are an integral part of the effort to keep drugs out of public housing. It is preventive medicine, and it is an investment that pays back well in excess of its cost.

These are only a few of the many examples one could cite to show that the budget resolution we are considering today does not invest in America's future, but instead turns us back toward the past.

The Democrats have proposed a responsible budget alternative which balances the need for debt reduction, targeted tax cuts, and investment in critical national needs. The Democratic alternative fully protects the Social Security and Medicare surpluses to ensure that we will be able to meet our obligations to America's seniors, now and in the future. The alternative provides for a meaningful, affordable, and universal prescription drug benefit, and devotes real resources to meeting pressing needs in education, defense, and our national infrastructure. For example, the alternative restores the cuts proposed by the President for the Corps' civil works program. A safe, reliable, and economically efficient water infrastructure system is vital to our Nation's economic well being and quality of life, and I am proud to say that the Democratic alternative recognizes the importance of Corps' civil works program.

The alternative recognizes the importance of funding our international affairs account, which includes both State Department operating expenses and foreign operations. At a time when the need for U.S. global leadership is greater than ever, I am pleased to say that the Democratic alternative does not shrink from funding these responsibilities.

In the area of housing, the Democratic alternative makes sure that public housing authorities can continue to maintain and upgrade their developments. In fact, not only does it maintain capital levels, but it adds $300 million per year to the operating subsidies, so that public housing agencies, who house our poorest, most vulnerable citizens, can pay their rising energy bills. In fact, the Democratic alternative restores all the cuts in housing included in the President's blueprint, including restoring the PHDEP program, and all the activities it supports. In addition, it adds another $2 billion over 10 years to get the federal government back in the business of financing the construction of new housing, and thus restorin the HOME program, which is a proven, effective delivery system.

In addition, the Democratic alternative ensures funding for some less visible, but no less vital programs. We would fund the Assistance to Firefighters Grant Program, run by the Federal Emergency Management Agency, at the full authorized level, ensuring that our nation's first responders have the resources they need to safeguard America's citizens from the dangers of fire and terrorism. The Democratic alternative supports liveable communities by funding mass transit programs, environmental protection efforts, and law enforcement.
enforcement programs. These may not be high-profile issues, but they address very real needs felt by many Americans—needs which are not addressed by the Republican budget before us.

We have come far economically and must focus as we move forward so as not to return to the deficits which hampered our economic growth for so long. In my view, we must emphasize paying down the national debt, protecting Social Security and Medicare, and funding for priorities important to our Nation’s future, and providing short-term tax cuts for working Americans. The Republican budget falls far short of the mark in almost every respect. I strongly oppose this resolution, and I urge my colleagues to reject it.

Ms. SNOWE, Mr. President, today marks an historic occasion for the Senate. At the end of this fiscal year, not only will the federal government have run a surplus without the benefit of the Social Security surplus for a third consecutive year, the first time that has happened since 1947 to 1949—but the budget resolution we are now considering would reduce the publicly-held debt to its lowest level since World War I.

No longer is business in Washington defined by the terms “deficit” and “debt.” Fiscal responsibility has been reintroduced into the political lexicon and the result should prove a welcome relief not only to this generation but to those yet unborn generations that will be spared the mountain of debt we would otherwise bequeath in a legacy of lavish spending and fiscal recklessness.

In light of these on-budget surpluses we now enjoy and the era of surpluses we are projected to see over the coming ten years, I would especially like to thank the Chairman of the Senate Budget Committee, Senator PETE DOMENICI, for his unwavering commitment to balanced budgets and responsible decision-making.

That is in large part to his leadership and his tireless efforts, the turbulent waves of annual deficits and mounting debt that have rocked this place for decades have been calmed. And, if we are willing to adhere to the kind of sound principles expounded for years by my colleague from New Mexico, in this year’s budget resolution and others to come, we may be able to maintain the current budgetary calm for many years into the future.

The budget resolution we are now considering not only maintains fiscal discipline, but it does so within a framework that ensures America’s priorities are protected and addressed in fiscal years beyond. If the budget is a roadmap, this budget will point us toward four critical goals:

First, it protects every penny of the Social Security and Medicare surpluses in upcoming years. Second, over the coming ten years, it pays down as much of the publicly-held debt as is considered possible, reducing it to its lowest level since 1916.

Third, it provides a substantial funding increase for discretionary spending programs, including education and defense, and, thanks to the adoption of the Grassley-Snowe amendment yesterday, it includes significant funding for a new prescription drug benefit.

And, fourth, it reduces the Social Security surplus that remains, it provides tax relief for Americans during a time of rising economic uncertainty, and a time when the typical family’s tax burden exceeds the cost of food, clothing, and shelter combined.

Collectively, I believe these principles and priorities reflect those of most Americans, especially the commitment to protecting Social Security and Medicare surpluses and buying-down publicly-held debt. Accordingly, I believe this resolution deserves broad bipartisan support in the Senate and, ultimately, by the entire Congress.

To truly appreciate how momentous the principles and policies reflected in this budget really are, we need only compare it to where we have been, and where we currently stand, on both tax and spending policies.

As many of my colleagues are all too aware, it was not that long ago that the notion of federal debt would have been considered akin to a winter without snow in my home state of Maine, or maybe the Boston Red Sox winning the World Series. Except that, when it came to actually reducing the debt, it wasn’t a case of “wait ’til next year”. It was more like “Waiting for Godot.”

Yet, unlike Godot, the days of paying down our debt are real and have actually arrived. Through a growing economy and fiscal austerity, the federal government has not only paid down more federal debt over the past three years than at any time in history, $363 billion overall, but we now stand poised to buy-down as much of the debt as is considered financially feasible within the next ten years.

While there are understandable differences of opinion on the precise amount of federal debt that can be retired over this time frame, the simple fact is that this budget resolution calls for the retirement of 2.4 trillion dollars of debt over the coming ten years, leaving the publicly-held debt at just over $800 billion in the year 2011. Of note, this level of publicly-held debt, which is the so-called “irreducible” level of debt according to CBO, is even lower than the $1.2 trillion “irreducible” debt level that was identified by both the current administration and the Clinton Administration in its January 2001 report.

By the same token, the spending increases contained in this budget are not only significant—especially when compared to recent history—but targeted toward specific and demonstrated needs.

As my colleagues are aware, it was not that long ago that discretionary spending rarely, if ever, saw an annual increase. In fact, discretionary spending was essentially frozen between 1991 and 1996, with total outlays only $1 billion higher in 1996 than in 1991. Furthermore, from 1996 through the end of the decade, discretionary spending grew at an annual rate of 3.7 percent.

In contrast, this budget resolution provides for an increase in discretionary spending of four percent, a rate even higher than inflation. And although such an increase may not placate those who would prefer that the discretionary spending jumps of the past two years become the norm, the bottom line is that anyone who would have proposed a four percent increase during the past decade would have been considered a “profligate spender”!

In addition to providing a substantial increase in discretionary spending, this budget also provides much-needed funding for a new Medicare prescription drug benefit.

As my colleagues are aware, the need for a new Medicare prescription drug benefit could not be more clear. When Medicare was created in 1965, it followed the private health insurance model of the time—in-patient health care. Today, thirty-six years later, the expiration date on this prescription for health care—treating patients in hospitals rather than treating them at home, has long since come and gone.

Correspondingly, the lack of a prescription drug coverage benefit has become the biggest hole, a black hole really, in the Medicare system.

With tremendous leaps in drug therapeutics occurring almost daily, it is time to bring Medicare “back to the future”. It is time to provide our seniors with prescription drug coverage.

In my view, a solution to this pressing problem can’t come soon enough. Drug coverage should not be part and parcel of the Medicare system, not a patchwork system of patchwork coverage and some don’t. Prescription drug coverage shouldn’t be a “fringe benefit” available only to those wealthy enough or poor enough to obtain coverage. It should be part and parcel of the Medicare system that will see today’s seniors, and tomorrow’s into the 21st Century.

Accordingly, I made the funding of a new prescription drug benefit my highest priority over the past three years on the Budget Committee. And I’m gratified that those efforts—which led to $20 billion being set aside for this purpose in the FY00 budget resolution, and $10 billion in the FY01 budget resolution, have helped pave the way for $153 billion being set aside for prescription drugs in this year’s budget resolution, and an additional $147 billion being added for this purpose due to yesterday’s adoption of the Grassley-Snowe amendment.

As the Chair of the Finance Subcommittee, I will do everything I can to help craft and enact a strong, reliable Medicare prescription drug benefit this year, and in that light I’d especially like to thank...
the Chairman of the Finance Committee, Senator GRASSLEY, for committing himself and our Committee to developing such a benefit by the August recess. And with the additional monies the Grassley-Snowe amendment provided for for America's consumers, I trust that we will not only meet this goal, but also ensure that the benefit we create will be meaningful and secure for years to come.

After we have set aside the Social Security and Medicare surpluses . . . after we have paid down as much debt as possible over the coming 10 years . . . and after we have provided for substantial but responsible and necessary increases in discretionary spending and resources for a new Medicare prescription drug benefit, only then, from the remaining on-budget surpluses, do we provide for a tax cut.

And there should be no mistake, this is much more than a tax cut for the American people. As outlined earlier, I believe that, given growing economic uncertainty, a tax cut is not only warranted in terms of returning some of the surplus to those who created it in the first place, the American people, but also in terms of the well-being of our economy. As for the need, the numbers speak for themselves.

Economic growth has slowed considerably over the past two quarters. Consumer confidence has fallen precipitously since November and only stabilized this past month. The NASDAQ dropped 26 percent during the last quarter and is down 66 percent from its high in January. The Dow Jones Industrial Average dropped nine percent over the past two months alone, with the S&P 500 dropping 16 percent over the same period of time. And reports of layoffs are coming in increased frequency, even as more and more "dot-com" investment dollars continue to close their doors and "virtual reality" has turned into harsh reality for countless investors.

While a tax cut may not actually prevent a recession if one is in the offing, it would provide the American people, as outlined in Greenspan's recent testimony before the Senate Banking Committee, with a way to reduce uncertainty. But it's not just the economy that can benefit from a tax cut; the American people, especially when you forgone, lest we later be justifiably accused of "fiddling while Rome burn.''

But it's not just the economy that could benefit from a tax cut; it's also the American taxpayer, especially when you consider that a typical family now pays more in taxes than for the cost of food, clothing, and shelter combined. And, as a percent of GDP, federal taxes are at their lowest level, 20.6 percent, since 1944, and all previous record levels occurred during time of war, 1944, 1952, and 1969, or during the devastating recession of the early-1980s in which interest rates exceeded 20 percent and the highest marginal tax rate was 70 percent.

Given this confluence of circumstances, both economic uncertainty and an historically high level of federal taxes, I believe a portion of the remaining on-budget surplus should be utilized for a tax cut. And by providing the blueprint for a tax cut of up to $1.6 trillion over the coming 10 years, Congress will have the ability to make a determination on both the appropriate size and content of such a package in the weeks ahead.

At the same time, I understand the concerns that have been raised about the certainty of long-term economic and budget projections. Accordingly, I found Federal Reserve Chairman Alan Greenspan's recent testimony before the Budget Committee very compelling, especially his suggestion that we create some type of trigger mechanism linking tax and spending policies to actual budgetary performance in the future.

Specifically, Chairman Greenspan stated that long-term tax and spending initiatives should be "phased-in" and should include "... provisions that, in some way, would limit surplus-reducing actions if specified targets for the budget surplus and federal debt were not satisfied.''

Because the surplus is projected to grow successively larger over the coming 10 years, with two-thirds of the $3.1 trillion in the final five years, any new tax cuts or spending proposals will be forced to be phased-in if we are to preserve the Social Security and Medicare surpluses. Indeed, key provisions of the recent Bush tax plan, including marginal rate reductions, are phased-in.

Accordingly, given Chairman Greenspan's suggestion, I believe it would be prudent for the Congress to enact a trigger that links future tax cuts and spending increases to specific targets for debt reduction. Such a proposal would ensure that all "surplus reducing actions", both tax cuts and spending increases, are contingent on actual fiscal performance.

Consistent with Chairman Greenspan's proposal, I worked with Senator BAYH in developing a set of principles underlying a trigger mechanism, and joined in introducing these principles in a bipartisan, bicameral manner last month. The three-point principles we developed, and that were introduced with a total of 11 bipartisan cosponsors in the Senate, were as follows:

First, long-term, surplus-reducing actions adopted pursuant to Congress should include a "trigger" or "safety" mechanism that links the phase-in of such proposals to actual budgetary outcomes over the coming ten years.

Second, the trigger will outline specific legislative or automatic actions that shall be taken if specific levels of public debt reduction are not achieved.

Third, the trigger will only be applied prospectively and not repeal or cancel any previously implemented federal surplus-reducing action. In addition, enactment of the trigger will not prevent Congress from passing other legislation affecting the level of federal revenues or spending in future circumstances dictate such action.

Ultimately, we believe the adoption of such a trigger mechanism will ensure that fiscal discipline and debt reduction remain our top priorities as the projected surplus is designated for various purposes during the months ahead. Ultimately, if the surpluses materialize as projected, the trigger would be "virtually" non-existant, thereby allowing tax or spending proposals enacted during the 107th Congress. But if they do not, the trigger will provide an added level of fiscal discipline that will prevent a return to annual budget deficits and increased federal debt.

Given the fact that, only a few weeks ago, some argued that a trigger was essentially "dead," I would like to thank Chairman DOMENICI for agreeing to include these principles in the budget resolution that he planned to offer on the floor. Unfortunately, due to a ruling by the Parliamentarian, I understand that these and other provisions— including the Medicare Lock-box and the reconciliation instructions—were subsequently removed.

While the removal of the trigger principles from the Senate budget resolution is a disappointment, I am pleased that momentum for this idea is continuing to grow. Not only do these principles nearly part-and-parcel of this year's budget resolution, but Senator BAYH and I are now in the process of converting these principles into an actual legislative mechanism—and I firmly believe that other members are seeking to craft their own mechanisms.

By protecting Social Security and Medicare surpluses, buying down debt, providing substantial funds for a new Medicare prescription drug benefit, enhancing funding for shared priorities such as education and defense, and only then cutting taxes, I believe the Senate budget resolution deserves strong support.

Ultimately, while members from either side of the aisle may disagree with specific provisions in this resolution, the amendment process we are now undertaking provides each of us with the opportunity to offer or support changes that better reflect our priorities. Furthermore, the simple fact is that this is a budget framework, or "blueprint", that establishes parameters and priorities, but is not the final word on these individual decisions. Rather, specific spending and tax decisions will initially be made in the Appropriations and Finance Committees, and ultimately by members on the floor.

Therefore, I am hopeful that members opposed to the trigger do not harm the broad and reasoned parameters that have been set, and commend the Chairman DOMENICI, again, for his efforts in crafting this balanced resolution.
many years. I believe it is imperative that among our national budget priorities we include adequate funding to address the threat of international terrorism and the spread of urban crime to our rural towns and counties. In recent years, Congress has increased the number and scope of federal criminal laws, thereby increasing the responsibilities of the FBI, as well as other federal law enforcement agencies. Because of these changes, and the assimilation of additional expertise these agencies give to local law enforcement agencies throughout the country, federal law enforcement resources have been stretched thin. In the Fiscal Year 2001 Commerce-State-Justice Appropriations process, we recognized the need to keep the FBI fully staffed, and we required the Bureau to fully fund salaries and benefits for all authorized “workyears” for special agents and support staff. In order to do this, Director Freeh and his staff were required to cut $250 million from the Bureau’s budget, in the agency’s equipment and infrastructure accounts to satisfy this need.

Given the expanded responsibilities of the Bureau, this type of “robbing Peter to pay Paul” would be troubling enough in a single fiscal year. The extraordinary expenses required of the FBI to get through this fiscal year is just a small example of a much more dangerous trend in our funding of federal law enforcement agencies. Unless we address this funding issue, by the end of the current fiscal year the FBI will have suffered the net loss of 521 special agents since the beginning of Fiscal Year 2000. In preparation of its budget request for Fiscal Year 2002, Director Freeh determined that in order to maintain salary and benefit levels, the Bureau would need to reduce its staffing by 336 agents and 521 support staff. This force reduction will require the cancellation of almost all of the FBI’s new training classes for the remainder of this year, and may put in jeopardy another 182 special agent positions and 248 support positions planned for Fiscal Year 2002.

This situation is simply untenable for rural states like my home state of West Virginia. After discussions with our U.S. Attorneys over the past few years, I have come to share their frustration over difficulties in carrying out law enforcement activities in West Virginia, although often sold short of the resources needed. In the state, having too few federal agents in West Virginia has affected numerous federal criminal investigations and prosecutions. Joint-state-federal drug interdiction operations in West Virginia, although successful, require a level of participation by federal law enforcement agencies that current staffing levels sometimes prevent.

Perhaps in the past, it made sense to concentrate our federal agents in big cities. Today, unfortunately, many of the crime problems of our cities have infected rural America. Sadly, West Virginia is not immune from this contagion. I believe the funding increase I have outlined here is absolutely necessary to provide West Virginia and other rural states with the federal law enforcement resources they will need to investigate, fight, and hopefully, prevent crime.

Mr. President, as the Ranking Member of the Committee on Veterans Affairs, I must voice my concern about the level of funding for veterans’ health care and benefits proposed in the Senate Appropriations Resolution on the FY 2002 Budget.

If the Department of Veterans Affairs is funded at the level that the Budget Resolution provides, a $1 billion increase over the FY 2001 appropriation, which might appear generous at first glance, we can expect VA to eliminate staff, delay providing health care and benefits, and slash vital programs.

Much, if not all, of this proposed increase would be consumed in merely securing the costs of providing medical care. It simply will not meet VA’s needs in the next fiscal year. As we strive to cut taxes in a responsible manner, we must also anticipate and address the concerns of the men and women who served this Nation.

The alliance of veterans service organizations that authors the Independent Budget for Fiscal Year 2002, AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars, rightly concluded that “more must be done to meet the increasing needs of an aging veteran population, adapt to the rising cost of health care, enhance and facilitate benefits delivery, and maintain the continuity of funding for VA programs as a whole.”

The Budget Resolution before us would not allow us to fulfill those obligations. We must ensure VA a level of funding that reflects the impact of a growing elderly veteran population, a problem of inflation, fund existing initiatives, and allow the system to move forward in the ways we all expect.

Urgent demands on the VA health care system make increased funding essential. The landmark Veterans Millennium Health Care and Benefits Act of 1999 significantly expanded VA noninstitutional long-term care, which for the first time is available to all veterans enrolled with the VA health care system. The dilemma of developing long-term care for all Americans, VA will begin this effort with our Nation’s veterans. The Congressional Budget Office estimates that the VA noninstitutional extended care program will cost more than $400 million a year. We must supply adequate funds to fulfill this legislative mandate.

The Millennium Act also ensures emergency care coverage for veterans with no other health insurance options. Necessity demands this costly provision; nearly 1 million veterans enrolled with the VA are uninsured and in poorer health than the general population. Although this new benefit has not yet been either implemented or publicized, claims are already mounting.

Medical inflation and wage increases, factors beyond VA’s control, have been estimated to devour nearly $1 billion of VA’s budget annually. At the same time, more and more veterans are turning to the VA for health care. In my own state of West Virginia, the number of veterans seeking care from VA has increased, despite a declining total number of veterans. West Virginia is an example, the Martinsburg VAMC saw its new enrollees increase by 24.7 percent over the last 2 years. Rapidly expanding enrollment at all four West Virginia VA medical centers has jeopardized their ability to provide high quality care in a timely fashion. Unfortunately, similar examples can be found throughout the Nation.

Between new initiatives, long-term care and emergency care coverage, and simply maintaining current services, we must secure an increase of $1.8 billion for health care alone.

Unfortunately, maintaining current services may not be enough to ensure that VA can meet veterans’ health care needs. The aging veterans population presents an ever-growing number of recognized challenges, such as the disproportionate burden of hepatitis C, that will further strain VA facilities. We must anticipate the difficulties of treating complex diseases and ensure that VA has the resources it needs to care for veterans with multiple, coincident medical problems.

If we simply maintain current services, can we expect VA to restore the capacity for PTSD and spinal cord injury treatment to the 1996 legislatively mandated level? In West Virginia, many veterans not only wait months for specialty care, they have to travel hundreds of miles to get it. We can depend on community outpatient clinics to fill gaps in the VA. Not only will this slow the search for new and better medical treatments, but it could weaken efforts to protect human subjects in VA-sponsored studies. As increase of $47.1 million will be required merely to offset the costs of inflation and to maintain compliance with increasingly stringent research guidelines.

Savings may be gained through more resourceful management of VA hospitals and clinics, a possibility that VA is pursuing through its Capital Asset Realignment and Enhancement Studies, CARES. In the meantime, efficiencies should not come at the expense of veterans who turn to the VA...
health care system for needed treatment, nor should VA neglect essential repairs and maintenance of its structure while awaiting the outcome of the CARES process. Accommodating the backlog of urgently needed construction will require an increase of $250 million. A shortsighted focus on immediate gains, by delaying essential projects or neglecting existing facilities, may compromise patient safety and prove even more costly to VA and veterans in the long run.

The Veterans Benefits Administration also faces challenges that require additional funding for staffing. One of these challenges results from an aging workforce. Projections suggest that 25 percent of current VA decisionmakers will retire by 2004. These losses would be in addition to the staff that has already left service. It takes 2-3 years to fully train a new decisionmaker. Therefore, it is critical that VA hire new employees now to fully train them before those experienced trainers and mentors have retired.

In addition to this looming succession crisis, extensive new legislation enacted in 2000 will severely affect VBA's workload. Sweeping enhancements to the Servicemembers GI Bill are expected to double VA's education claims work. New legislation reestablishing the “duty to assist” veterans in developing their claims, regulations presumptively connecting diabetes to Agent Orange exposure in Vietnam veterans, and new software systems intended to improve the quality of decisionmaking have severely affected VBA's workload and slowed output. West Virginia veterans are already receiving letters from the VA regional office warning them to expect a 9-12 month delay for even initial consideration of their new claims.

If VBA is unable to hire new staff, the increasing backlog of claims, which is already unacceptable, would reach abominable levels. Without an increase in staffing, the backlog of claims is expected to grow from the current 400,000 claims, up from 309,000 in September 2000, to 600,000 by March 2002. VBA will need a minimum increase of $132 million to acquire the tools, staffing and technology, to avert this escalating disaster.

The mission of the National Cemetery Administration, NCA, providing an honor place for our Nation's veterans, is becoming more difficult as we face the solemn task of memorializing an increasing number of World War II and Korean War veterans. It is estimated that 574,000 veterans died last year. The aging of the veterans population is placing additional demands on NCA in interments, maintenance, and other operations. VA has attempted to meet this demand by opening four cemeteries over the last 2 years and planning construction of the six more authorized by Congress in 1999. It is estimated that an increase of $21 million will be required to develop these cemeteries.

Increases are also required to maintain the VA's National Shrine Committee. We must preserve our national cemeteries so that they do not dishonor those who died serving our country. Sunken graves, damaged headstones, and even structural deficiencies have been noted. We applauded VA's commitment to this initiative and encourage VA to continue the project. In order to rise to this task and operate its current facilities, NCA will require an increase of at least $13 million for a total appropriation of $123 million.

While we consider the best way to cut taxes responsibly, we mustn't lose sight of our obligations. We all need to agree on how much should go to tax cuts and how much should be saved to strengthen Medicare, invest in education, and fully address the needs of the men and women who have served our country. I anticipate that during the debate on the budget resolution, the emphasis will be on increasing the funding for VA. I urge you all to remember our nation's promise to our veterans and their families as we deliberate on the critical priorities that will shape their future.

Mr. REID. Mr. President, I am very pleased that by adopting the budget resolution today, the United States Senate has endorsed the President's recent proposal that would provide mandatory funding for the now-bankrupt Radiation Exposure Compensation Trust fund.

We passed the Radiation Exposure Compensation Act in 1990 to provide fair and swift compensation for those uranium miners, Federal workers, and downwinders who had contracted certain debilitating and too often deadly radiation-related illnesses. These individuals helped build our nation's nuclear arsenal and it is unconscionable that there is no funding to indemnify them for their sacrifice and suffering.

Since last May, those who have had their claims approved are receiving only an IOU from the Justice Department. Today, we have taken the first step in rectifying this injustice.

The Bush proposal is within the defense function of the budget and would be a declining expenditure from about $100 million in 2002 to less than $5 million at the end of the decade. Total mandatory expenditures budgeted for this program is estimated to continue to decline million over the next 10 years. In addition, to our positive actions today, I have introduced, along with Senator Harkin, legislation that would provide the appropriate funding for the Radiation Exposure Compensation Trust fund. We are seeking our colleagues support in moving this legislation expeditiously through the Senate.

It is vital that we act quickly to ensure that these victims who gave so much for our nation are never again left holding nothing more than a government IOU.

Mr. REID. Mr. President, I rise today to express my sincere gratitude that the Senate agreed to and accepted my amendment last night evening which is of vital importance to our Nation's veterans.

This amendment will address a resource requirement for a bill that I introduced on January 24, 2001, S. 170, the Retired Pay Restoration Act of 2001, which incidentally has over 45 cosponsors and bipartisan support.

The list of cosponsors on S. 170 include the distinguished majority and minority leaders, the chairman and ranking member of the Armed Services Committee. I also would like to recognize Senator Hutchinson for his assistance on this legislation.

This amendment will provide funding to correct a 10-year-old injustice against more than 450 thousand of our nation's veterans.

We have repeatedly forced the bravest men and women in our Nation—retired, career veterans—to essentially forgo receipt of a portion of their retirement pay if they happen to also receive disability pay for an injury that occurred in the line of duty.

This requirement discriminates unfairly against disabled career soldiers by fundamentally requiring them to pay a penalty for their own disability compensation. Mr. REID. Mr. President, I urge you to support this legislation.

S. 170 will permit retired members of the Armed Forces who have a service connected disability to receive military retirement pay while also receiving veterans' disability compensation. That means that one thousand WWII veterans each day. Every day we delay acting on this legislation means that we have denied fundamental fairness to thousands of men and women. They will never have the ability to enjoy their two well-deserved entitlements.

This amendment will ensure that we have the resources necessary to properly fund this legislation and honor those who served our Nation—our veterans.

Recently, President Bush stated that he would support senior veterans.

I urge President Bush to do just that and not to leave our veterans behind. Our veterans have earned both of these entitlements—now is our chance to honor their service to our Nation.

We need to be fiscally responsible and protect social security, provide a prescription drug benefit, fund education, ensure a strong and stable military, and balance the budget, and to ensure the funding is available for our Nation's veterans.

The current prosperity of this nation can partially be attributed to the success of past wars and our Nation's veterans. I am unwilling to jeopardize the domestic dividend by materializing over the next generation for the health and welfare of our veterans and their families.

We have made a commitment to these great Americans. We must ensure that our Nation's veterans receive the dividends of our current surplus.

Accepting the amendment I offered last evening is simply righting the
wrong. Our veterans waited silently when there was no money to pay for this legislation, but today there is a budget surplus which provides the perfect opportunity to honor their service to this great Nation.

Mr. CONRAD. Mr. President, we can go to final passage.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, we are finished. We are ready to vote on final passage. I do not believe after all these long hours that anyone wants to hear a speech from anyone, regardless of how eloquent the speaker.

Mr. WELLSTONE. Mr. President, I really would like to hear Senator DOMENICI for a while.

Mr. DOMENICI. He is just one of the few, Mr. President. In any event, we have nothing further. The next vote is final passage.

The PRESIDING OFFICER. Are the yeas and nays requested?

Mr. DOMENICI. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The amendment (No. 170), as amended, is agreed to.

The concurrent resolution (H. Con. Res. 83), as amended, was agreed to.

The VICE PRESIDENT. On this vote, the yeas are 65, the nays are 35. The House Concurrent Resolution No. 83, as amended, is agreed to.

The concurrent resolution (H. Con. Res. 83), as amended, was agreed to.

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

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

KLAMATH BASIN WATER CRISIS

Mr. SMITH of Oregon. Mr. President, the Senate has just completed a long week debating a budget that I believe will help the American people in many ways, and I am proud of that work. But there are thousands of people in southern Oregon who are today getting some very bad news: the water on which they have turned a collective sigh of relief, breathed a collective sigh of relief, it is rectified.

Mr. SMITH. My state is currently experiencing its worst drought in seventy-seven years. And while the lack of irrigation water is not completely the fault of the federal government, the situation has been exacerbated by the actions of federal agencies, primarily the Fish and Wildlife Service and the National Marine Fisheries Service, that have authority over the quantity of water provided to the farmers and ranchers of the Klamath Basin. In the midst of this natural disaster, these two agencies have issued new requirements that increase lake levels in the Upper Klamath Lake as well as streamflows down the Klamath River. These edicts were issued in spite of advice from scientists and officials that the proposed water levels are not attainable this year, even if there are no agricultural deliveries.

For eight years, the Clinton Administration waged war on hard-working people who depend on natural resources to sustain their families and their communities. They cut timber sales and the growth of onerous regulations has already weakened the economy of the Klamath Basin. Now, with irrigation water the economy stands to lose almost $144 million. This cannot be allowed to happen.

When President Bush was elected, the people of Southern Oregon breathed a collective sigh of relief, believing that help was at hand. And although this decision was set in motion by the prior administration, my constituents cannot help but wonder if better days are yet to come. Unfortunately, one thing they do know for sure is that worse times are coming this year. Doubt not President Bush’s dedication to farmers, ranchers, and others in the wide rural expanses throughout this land. But I do understand that many of the people in the Klamath Basin cannot help but question this administration’s commitment to their needs.

While I appreciate the intermediate assistance the administration has offered, I have to again ask the President to reexamine the draconian orders that have turned a difficult drought into a crisis of immense proportions. In the meantime, I promise the people of the Klamath Basin that I will continue to fight for their needs and for the needs of their families until this dire mistake is rectified.

SUPPORT FOR THE HOPE FOR CHILDREN ACT

Mr. JOHNSON. Mr. President, adoption is a rewarding, but often expensive and frustrating option for many South Dakota families. As a member of the bipartisan “adoption caucus” in the Senate I have tried to make adoption a more viable option for loving parents. During the past couple of years, we have made major improvements in adoption policy including legislation: giving parents of adopted children the same time-off rights as those who give birth; outlawing racial or ethnic discrimination in adoption; automatically giving foreign-born adoptees American citizenship; and implementing international agreements to outlaw trafficking in children and promoting international adoption.

These laws have resulted in an increase of adoptions nationwide by cutting much of the paperwork and bureaucracy of the adoption process. Yet there are still almost half a million kids in foster care nationwide, and a large number of them are minorities and kids with special needs. There are even more families who want to adopt, but simply can’t afford to. More needs to be done. For too many South Dakotans, adoption is not an option because of the high costs associated with it. By some estimates, an adoption can cost upwards of $25,000 in fees, paperwork, and legal assistance.

I am pleased to be an original co-sponsor of the bipartisan legislation called the Hope for Children Act. This bill will help South Dakotans who hope to adopt by increasing the current tax credits for non-special needs children and special needs children to $10,000. This
SINKING OF THE F/V "ARCTIC ROSE" OFF THE COAST OF ALASKA

Mr. BURNS. Mr. President, I would like to take a moment to make note of the 15 people who have lost their lives in the waters off the coast of Alaska. On Tuesday, April 2 the U.S. Coast Guard received a distress signal from the vessel Arctic Rose. The Arctic Rose sank with all hands on board in the Bering Sea, some 200 miles northwest of St. Paul Island. I would like to join my colleagues from the home states of these people to recognize those whose lives were tragically ended. I would ask that their names be entered into the record.


Mrs. MURRAY. Mr. President, I rise today to express my deep condolences to the family and friends of the 15 men who were aboard the Arctic Rose, which was lost at sea on April 2, 2001. On March 31, 2001, the trawl vessel left St. Paul Island, AK to fish for flathead sole in the Bering Sea. The boat was supposed to be at sea for about two weeks.

Sometime during the early morning of April 2, however, something happened that caused the Arctic Rose to go down. We still don’t know why the fishing vessel sank, but we know that 15 men lost their lives in pursuit of their livelihoods. Nine of these men were from Washington state, and all of them leave behind families, friends and co-workers. My thoughts are with the crewmen’s loved ones, who are only beginning to grieve this tragedy. I also extend my condolences to the owner of the vessel, Mr. David Olney, to the employees of Arctic Sole Seafood, Inc., and to everyone who is part of this important industry.

Many of the Alaskan fishing seasons take place during the fall, winter and spring, when the weather is often severe. This business is inherently dangerous. The Arctic Rose had survival suits on board, but it seems the ship went down too quickly for most crewmen to even put them on. Nor were they able to get to the life raft. We should continue our efforts to improve the safety of crewmen fishing in the Bering Sea and the Gulf of Alaska. One of the ways to improve safety is to allow the creation of individual fishing quotas, which guarantee catch to fishermen. This allows fishermen to wait for better weather before going out to sea. I have consistently supported using quotas as one tool to manage fisheries.

I would like to join my colleagues from the home states of these people to recognize those whose lives were tragically ended. I would ask that their names be entered into the record.

Mr. TORRICELLI. Mr. President, I rise today to welcome to our nation's capital the Honorable Jaswant Singh, Minister of External Affairs and Defense for the Republic of India. Minister Singh's visit will be an opportunity to reaffirm the warm relations between our countries as a new Administration gets established in Washington. The Minister's visit to Washington will include meetings with the Secretary of State and the Secretary of Defense, as well as the National Security Advisor.

Minister Singh's visit comes at a time of major transition in U.S.-India relations. Last month, Washington welcomed the arrival of Mr. Lalit Mansingh, Ambassador to Washington. Mr. Mansingh succeeds Ambassador Naresh Chandra, who was well known and admired by many in Congress during his tenure.

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Financial and Economic Forum, the U.S.-India Commercial Dialogue, and the U.S.-India Working Group on Trade. Minister Singh and then Secretary of State Madeleine Albright signed a joint statement on cooperation in energy and environment in a ceremony at the Taj Mahal in March 2000.

This week, President Clinton has returned to India to visit the State of Gujrat, scene of January's devastating earthquake that left an estimated 150,000 people dead, and thousands of people homeless.

While the trend in relations between the United States and India has been positive, there is still a great deal of work to be done. The visit to Washington by External Affairs and Defense Minister Singh, just a few months into the new Administration, offers an opportunity to build in the work of the past few years, while charting a new course for even closer ties between our two countries.

**ADDRESSING DOMESTIC VIOLENCE IN SOUTH DAKOTA AND AROUND THE COUNTRY**

Mr. JOHNSON. Mr. President, domestic violence is often the crime that victims don't want to admit and communities don't want to discuss. However, almost 15,000 domestic violence victims in South Dakota last year secured help from the Department of Social Services. This represents a low estimate of the number of South Dakotans who are victims of domestic violence, as many victims fail to seek help.

Since the enactment of the Violence Against Women Act in 1994, the number of forcible rapes of women have declined, and the number of sexual assaults nationwide have gone down as well. Despite the success of the Violence Against Women Act, domestic abuse against women continues to plague our communities. Consider the fact that a woman is raped every 5 minutes in this country, and that nearly one in every three adult women experiences at least one physical assault by a partner during adulthood. In fact, more women are injured by domestic violence each year than by automobile accidents and cancer deaths combined. These facts illustrate that there is a need in Congress to help States and communities address this problem that impacts all of our communities.

Last year, I was pleased to join the successful effort to reauthorize the 1994 Violence Against Women Act. In addition to reauthorizing the provisions of the original Violence Against Women Act, the legislation improves our overall efforts to reduce violence against women by strengthening law enforcement's role in reducing violence against women. The legislation also expands legal services and assistance to victims of violence, while also addressing the effects of domestic violence on children. Finally, programs are funded to strengthen education and training to combat violence against women.

This year, I am cosponsoring legislation, S. 540, that would establish a permanent Violence Against Women Office in the Department of Justice. This bill would guarantee that the office will have adequate funding to ensure that Congress's goals regarding domestic violence, sexual assault, and stalking will be carried out.

As a State lawmaker in 1983, I wrote one of the first domestic violence laws in South Dakota which dedicated a portion of marriage license fees to help build shelters for battered women. I was also a cosponsor of the original Violence Against Women Act in 1990 in the House of Representatives. Even at that time, many people denied that domestic violence existed in our state. Finally, in 1995, the President signed legislation to strengthen federal criminal law relating to violence against women and fund programs to help women who have been assaulted.

Since the Violence Against Women Act became law, South Dakota organizations have received over $6.7 million in federal funding for domestic abuse programs. In addition, the Violence Against Women Act doubled prison terms for repeat sex offenders; established mandatory restitution to victims of violence against women; codified much of our existing laws on rape; and strengthened interstate enforcement of violent crimes against women.

The law also created a national toll-free hotline to provide women with crisis intervention help, information about violent woman, and free referrals to local services. Last year, the hotline took its 300,000th call. The number for women to call for help is: 1-800-799-SAFE.

I am hopeful that, with my support, the Senate will approve S. 540 this year so that we continue fighting domestic abuse and violence against women in our state and communities.

**HONORING THE DOOLITTLE RAIDERS**

Mr. JOHNSON. Mr. President, I rise today to commend the Doolittle Raiders on the 60th anniversary of their memorable flights.

The surprise Japanese raid of Pearl Harbor was just the beginning of a series of bad news for Americans at the beginning of World War II. In a period of months, the Japanese had invaded and conquered land stretching from Burma to Polynesia. The United States badly needed a boost in morale. The answer was the Doolittle Raid.

The concept was simple: A Navy task force would take 15 B-25s to a point about 450 miles off of Japan where they would be launched from a carrier to attack military targets at low altitude in five major Japanese cities, including the capital city of Tokyo. The planes would then fly to a base in China where they would join the China-Burma-India theater. It was the implementation of the plan that made the men involved in the raid heroes.

On April 18, 1941, sixteen flights of B-25s, one captured by South Dakota native son Capt. Donald Smith, left the deck of the USS Hornet, bound for Tokyo. But the Japanese had Americans coming, and the planes were forced to take off from the Hornet at least 650 miles from the Japanese coast. The planes would not have enough fuel to make it to China.

The Doolittle mission was the first good news from the Pacific front, and was a huge boost to American morale. It also devastated the Japanese people, who had been told by their leaders that their homeland could never be attacked.

In Belle Fourche, SD, on April 18, South Dakotans will be remembering the 60th anniversary of this daring raid. I commend the Doolittle Raiders, and all American veterans, for they are truly America's heroes. Our country must honor its commitments to veterans, not only because it is the right thing to do, but because it is the smart thing to do.

I will continue to lead efforts to ensure that our nation's military retirees and veterans receive the benefits they were promised years ago. While I am pleased with some improvements in military health care funding passed into law last year, I am concerned that more needs to be done. Assuredly, I will continue to fight for military retirees and veterans programs throughout this session of Congress.

**THE VERY BAD DEBT BOXSCORE**

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, April 5, 2001, the Federal debt stood at $5,772,535,272,634.26, Five trillion, seven hundred seventy-two billion, five hundred twenty-three million, three hundred twenty-six thousand, six hundred fourteen dollars and twenty-six cents.

One year ago, April 5, 2000, the Federal debt stood at $5,758,941,000,000. Five trillion, seven hundred fifty-eight billion, nine hundred forty-one million.
Five years ago, April 5, 1996, the Federal debt stood at $5,138,150,000,000. Five trillion, one hundred thirty-eight billion, one hundred fifty million. Ten years ago, April 5, 1991, the Federal debt stood at $3,468,754,000,000. Three trillion, four hundred sixty-eight billion, seven hundred forty-five million.

Twenty-five years ago, April 5, 1976, the Federal debt stood at $395,781,000,000. Fifty nine billion, seven hundred eighty-one million. Twenty-seven thousand, six hundred seventy-six billion, seven hundred seventy-six dollars and twenty-six cents during the past 25 years.

ANIMAL DISEASE RISK ASSESSMENT, PREVENTION, AND CONTROL ACT

Mr. BURNS. Mr. President, I rise today as one of the proud co-sponsors of the Animal Disease Risk Assessment, Prevention, and Control Act of 2001.

This bill will go a long way toward offering the American public and producers the vital information necessary to begin to understand the economic impacts associated with Hoof and Mouth Disease and Bovine Spongiform Encephalopathy (BSE). The risks associated with these diseases to the public health will also be reviewed.

In the United states, we take great pride and have worked diligently to maintain healthy herds. We have spent years creating our breeding programs and ensuring the animals we produce are the finest in the world. This bill will help ensure that effort will not be jeopardized.

We need to create a solid unified front to make sure that all the information available on these diseases is readily accessible. This bill will not only make that knowledge available, it will provide Congress with the information necessary to move forward quickly with any other type of action that is required. This bill will provide an important tool that will allow us to continue producing the safest meat supply in the world.

I look forward to working with Senators Hatch and Harkin on this very important piece of legislation.

RETIRED PAY RESTORATION ACT

Mr. BURNS. Mr. President, I rise today in support of S. 170, the Retired Pay Restoration Act of 2001.

S. 170 permits retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reasons of their years of military service and disability compensation by the Department of Veterans Affairs for their disability.

Currently, a retired military member will have his or her retirement pay offset dollar for dollar when they receive disability compensation from the Veterans Administration. This law is 110 years old and it is long overdue for change.

The military retirement pay is earned over a career for longevity, while the VA disability compensation is for a different reason altogether—sustaining an injury while in the service. These are two completely separate issues and military members have suffered over the years by having their retirement pay reduced. The Retired Pay Restoration Act of 2001 will correct this deficiency.

We owe our freedom to those who wore our country’s military uniforms. We must honor our commitment to those who served in the military. This year is the time to overturn the provision in the 110 year-old law that prohibits military retirees from receiving concurrent receipt of full military retirement pay along with VA disability compensation.

The Retired Pay Restoration Act of 2001 will correct this deficiency.

I encourage my colleagues to support S. 170.

ADDITIONAL STATEMENTS

DEATH OF JOHN C. HOYT OF MONTANA

Mr. BURNS. Mr. President, I would like to take a moment to make note of the recent death of a great man and fellow Montanan.

Montana lost one of its proudest native sons on Monday, March 26, 2001. John Hoyt died at the Benefis Hospital in Great Falls, during a heart attack catheterization procedure. He was 78.

In Shelby, June 28, 1922, a fascinating and adventurous and truly incredible life began. John’s parents had come to Shelby from Iowa. The family’s background was in farming and ranching. John’s father, a lawyer, raised his family in Shelby during the Great Depression. John spent summers back in Iowa, during the hard times, without modern equipment, without air-conditioning and using a real pitchfork to gather hay in the field and pitch it into the hay mow for the winter. All who knew John, knew those thick hands and fingers of his proved he was no stranger to hard physical work.

John began his college career, on scholarship, at Drake University in Iowa. But, by his own admission, “too much fun” brought that educational experience to an end. Perhaps that was meant to be, because leaving Drake brought John home to Montana, and the University in Missoula, a place where he spent his law school days, and his loyalty and his support never again left. A true Grizzly is now at rest. But his presence will be forever felt on that campus and in the stadium in Box 1028 down on the north end. John will still be cheering on his beloved Grizzlies. He might even give Coach Glenn “a great play” from wherever John is watching!

John was so proud of the many talented lawyers he practiced with. It was recently stated by legal pundits that while it was not required to have practiced with John Hoyt to sit on the Montana Supreme Court, it did not hurt.

John’s current firm, Hoyt and Blewett, is one of the most prominent in Montana. He and his partner, Zander Blewett, have represented Montanans with pride and dignity, and his clashes with Burlington Northern led to a memento in his office portraying the Burlington Northern logo and inscription, for John, with the words, “Any Time is Train Time!”

John had a lifelong passion for agriculture, and established one of the most noted Black Angus ranches in America, the Jolly Roger. He named it after his former comrades in World War II. In the 1990’s two bulls that he developed and raised, Juice and Uncle Jim, became important leaders in carcass quality traits throughout the beef industry. Ironically, John’s last yearling bull sale was just last Wednesday, March 21. His bull sold to all areas of Montana, several states, and into Canada.

John Hoyt was a gentleman. He had acquaintances that ranged from the most humble to the most powerful of his fellow citizens. All were equally valued by John as friends. He was an outdoorsman who trained hunting dogs and loved bird hunting. His fishing trips that he led friends on in Alaska were, at the very least, memorable. His wit and enthusiasm and his energy...
made him the center of any gathering he was ever part of.

John belonged to the Cascade County Bar Association, the Montana Bar Association, the Montana and the American Trial Lawyers Association. John was also an active member of the Montana Attorney General’s Advisory Committee and the Iowa Commission on the Aging. He was awarded a Lifetime Achievement Citation by the Montana Trial Lawyers, in recognition of his fifty years of distinguished trial practice in Montana.

John is survived by his wife, Vickie, of the Jolly Roger Ranch in Belt; his son, John Richard (Rosemary) of Washington state; his daughter, Mary Lou (Dennis) Sandretto, and his grandchildren, Rachel, Ariel and David Sandretto, all of Georgia; and his sister, Lois Matsler, of Bloomington, Illinois. He is also survived by countless friends and colleagues and acquaintances throughout his beloved Montana. Montana may never know the likes of John Nickerson, or left Montana for a better place. His generous financial gifts to the University of Montana, both the Athletic Department and the Law School will sustain his legacy for generations that come afterwards. As John would say: Up with Montana—Go Griz!

TRIBUTE TO DON C. NICKERSON

Mr. HARKIN. Mr. President, I’d like to take a few minutes to honor Don C. Nickerson for his outstanding work as United States Attorney for the Southern District of Iowa.

Don Nickerson has been a leader in the state of Iowa for thirty years, starting back when he served as Student Body Vice President and President of the Senior Men’s Honorary at Iowa State, and as President of the Black Law Students Association at Drake Law School. After graduating from law school, he distinguished himself in community service, private practice, and as an Assistant United States Attorney in the Southern District before being appointed as U.S. Attorney for the district in 1993.

During his years in the U.S. Attorney’s Office, Don became known as a passionate and innovative leader. He established the Quad Cities Branch Office of the U.S. Attorney’s office—the first ever interagency branch office established in the United States, and also served as Chair of the Health Care Fraud Subcommittee of the Attorney General’s Advisory Committee and worked closely with Attorney General Reno to combat health care fraud.

And Don was a personal mentor to Iowa’s youth because he knew that reaching out to children early in life goes a long way in preventing them from straying in the future. In fact, Don was instrumental in establishing Camp DEFY—a camp and mentorship program that helps kids stay away from drugs, alcohol and tobacco in Iowa.

But Don has never been content to confine his service to the official duties of the U.S. Attorney. He’s brought his passion for service to the classroom, serving as an Instructor with Drake University Legal Clinic and Des Moines Area Community College. He’s brought it to civic organizations like Partnerships for Drug Free Iowa, the United Way of Central Iowa and the Iowa Commission on the Aging. And he’s brought it to professional organizations like the Midwest High Intensity Drug Trafficking Area Demand Reduction Subcommittee of which he was chair and the Iowa State and National Bar Associations.

When I think of the work that Don Nickerson has done for our state and our country, I’m reminded of a phrase from the Old Testament: “The Law is a light.” Don Nickerson has worked tirelessly to keep that light shining bright in Iowa and to make our state a safer, more just place to raise our children and live our lives.

Don has served our state with honor and loyalty, and it is my pleasure to offer my deepest gratitude for his contributions.

TRIBUTE TO MR. ARNOLD SPIELBERG

Mr. WARNER. Mr. President, today I share with you and my colleagues an extraordinary story about an extraordinary American patriot. The gentleman’s name is Arnold Spielberg. Yes, he is the father of the famed Spielberg fame was earned, long before his son’s, as a combat airman of the “Greatest Generation.”

Like many of us during World War II, Mr. Spielberg heard the call of our great Nation and enlisted in the U.S. Army Signal Corps, just after Pearl Harbor, in January 1942. After several weeks of training at Fort Thomas and in Louisville, KY, he was transferred to the 22nd Signal Company at the New Orleans Army Air Corps Base near Lake Pontchartrain. Private Spielberg then spent the next 3 months doing close order drill and teaching Morse code to unwilling recruits. He recalled that in an effort to get the attention of these unwilling recruits, he would send them “colorful” jokes and stories to keep their attention. It worked.

In May 1942, he boarded a troop ship in Charleston, SC and 2 months later, disembarked in Karachi, India. Once in India, he was assigned to Leslie Wilson Muslim Hostel working at the Karachi Classification Depot. His job was to essentially open up shipments of war materiel, aircraft parts mostly, check them against the technical manuals to figure out which aircraft they went to and label them. While this was important work, Mr. Spielberg wanted to be closer to the action and asked his Commanding Officer for a transfer to the 390th Bombardment Squadron, Medium. He got it and was on his way home.

Corporal Spielberg tackled his new assignment with enthusiasm and vigor. He set up the communications system that serviced the control tower for planes practicing strafing and bombing missions on an island in the Indian Ocean. He also started to train as a radio gunner and learned all about the B-25’s, the famous Mitchell bomber, communication equipment, inside and out.

Because of his hard work and diligence, Corporal Spielberg quickly earned the rank of Master Sergeant and the reputation as an expert signalman. He designed a high directional rhombic antenna, using giant bamboo poles for support. Their signal was as clean as “Ma’ Bell.” He also tackled the somewhat menacing problem of electric power. The base power was supplied by a large British diesel generator that produced 250 volts at 50 cycles. The radio equipment ran on 115 volts at 60 cycles. In order to use the British generator, the voltage output needed to be reduced. Master Sergeant Spielberg requisitioned a step down transformer however that would take six months or so to secure. In the meantime, by the use of a little “horse trading,” he enlisted the help of some squadron mates to refurbish the unit’s old generator which was then turned in as a spare and a new generator was issued.

The world over, U.S. soldiers, sailors and airmen used their common sense “to make do” when faced with challenging situations of all kinds. We didn’t always do it “by the book,” but we succeeded.

Master Sergeant Spielberg also redesigned some electrical circuitry because of a critical safety flaw that he discovered at great risk to himself. While performing maintenance on the squadron’s large transmitter one morning, Master Sergeant Spielberg turned off the main power source so as to change the bands. Noting the red power light “out,” he reached in to pull out the transformer, but was grabbed by 2600-volts DC current. While returning from seeing the medics, he inspected the transformer and noticed the relay that controlled the power to the main transmitter was “hot wired” to the power side so that the unit continually received power and could not be shut off. He immediately rewired the unit and drafted a correction notice to be distributed to the entire transmitter-user community.

Master Sergeant Spielberg also had the opportunity to fly combat missions. As the Japanese began their invasion of India with a focus on Imphal, his squadron was pressed to fly more missions. They supplied the British and Indian troops with food and ammo, and carried out the wounded. The aircrew soon became exhausted and “overflown” so the Communications Officer looked to the ground crew. When asked John Hoynes volunteered. This Master Sergeant Spielberg said. “Yeah, I’ll go first”—and he did. He flew missions as the radio gunner, at night, into
Impal, to resupply the troops and bring out the wounded.

Because of his extraordinary initiatives and many other forward-thinking actions, Master Sergeant Spielberg was awarded the Bronze Star medal with a citation that read:

Pursuant to the authority contained in Army Regulations 600–45, War Department, Washington, DC, 22 September 1943, the Bronze Star Medal hereby awarded to Master Sergeant Arnold M. Spielberg, 15068831.

For meritorious service from 24 July 1942 to 16 October 1944 as communications technician. Mr. Spielberg originated numerous modifications and suggestions concerning radio equipment and procedures which were later put in use throughout the Army Air Forces. His untiring efforts and initiative have rendered substantial aid to the operations of his squadron.

By command of Major General Davidson, Headquarters, Tenth Air Force, U.S. Army.

Upon the termination of hostilities in World War II, in the year 1945, all services made an effort to allow those who experienced the battlefields beyond our shores to return, as soon as possible, to their families and homes.

Often the records of their valorous service and the decorations they received had to follow. Given there were over 16 million who proudly wore the uniform of a service, this was a remarkable feat that was accomplished by a war-weary, but joyous nation.

Now, some 56 years later, I was honored to join the present Chief of Staff of the U.S. Air Force, General Michael Ryan, in representing the record-breaking expedition of the Bronze Star Medal to Master Sergeant Spielberg.

LOS ALAMOS NATIONAL BANK 2000 MALCOLM BALDRIGE NATIONAL QUALITY AWARD RECIPIENT

Mr. BINGAMAN. Mr. President, I rise today to applaud one of the many outstanding businesses in New Mexico and one that has distinguished itself remarkably today.

Today the Los Alamos National Bank was one of four recipients of the Malcolm Baldrige National Quality Award for the year 2000. Bill Enloe, Chief Executive Officer and Chairman of Los Alamos National Bank, and Steve Wells, President of the bank, were on hand to receive this distinguished award from President George Bush and former Commerce Secretary Norman Y. Mineta.

While I was unable to attend the ceremony, I understand that the employees attending the ceremony from Los Alamos National Bank gave Bill and Steve a rousing reception that was well deserved. LANB was recognized for its efforts to postpone mortgage payments for residents who lost their homes in the fire which was not something mandated by the government, it was something they felt was the right thing to do. LANB's decision to postpone mortgage payments for residents was a good thing. The type of service is rare in today's business market, but truly reflective of what it means to be a community bank.

Years ago LANB recognized that if it wanted to remain an independently owned bank, it would have to rise above all other banks and strive for excellence. It's ability to accomplish that recognition and LANB now stands with only 39 previous Malcolm Baldrige Award recipients. I congratulate Bill, Steve and their fine staff on their accomplishments and commitment to the people of northern New Mexico.

TRIBUTE TO EDDIE FROST

Mr. SESSIONS. Mr. President, during my four years as a member of the United States Congress, I have traveled across the State of Alabama meeting with local community leaders. I am proud to say that I have developed close, personal friendships with many of these folks. However, in all of my travels around the state, and meetings with public officials, I have enjoyed none more than getting to know Eddie Frost, the Mayor of Florence, Alabama, who died on March 15 after a battle with leukemia.

Florence, a wonderful city with a population of 36,000 people. It is located on the banks of the Tennessee River in northwest Alabama, and it is the largest city in the Shoals area.

Eddie Frost was raised in the Shoals, graduated from Sheffield High School, and then he graduated from Florence State University in 1961, which is now the University of North Alabama. Eddie Frost brought his love of basketball to Florence. The city is now the home of the annual Alabama-Mississippi high school all-star basketball games, work for the prisoners, relieved landfill costs, and produced revenue. I have long advocated such projects and have never seen one better run.

Eddie Frost was also instrumental in helping the City of Florence land the NCAA Division II National Football Championship game in 1986. This is a world-class event, and the game has been very successful in Florence. It has been a success because of the hospitality shown to the players, coaches, and fans by Eddie Frost, the championship committee, and the great people of Florence, Alabama.

In December, the city will celebrate the 16th consecutive Division II Championship game in Florence. In addition to football, Eddie Frost brought his love of basketball to Florence. The city is now the home of the annual Alabama-Mississippi high school all-star basketball games.

He was involved in many civic and volunteer organizations, and his life was full of many achievements. He served as President of the Alabama League of Municipalities, Chairman of the American Public Gas Association, Chairman of the Board of Eliza Coffee Memorial Hospital, the hospital in which my eldest daughter was born, and he was Past President of the North Alabama Industrial Development Association. He was a Deacon at Highland Baptist Church in Florence, active in the Northwest Alabama Boys and Girls Club, the United Way, the Lauderdale County Cancer Society, the Lauderdale County Heart Association, and the Leukemia Society of America.

In 1993 he was named the Florence Citizen of the Year. He was the University of North Alabama's Alumnus of the Year in 1998, a member of the University of North Alabama Athletic Hall of Fame. Last month he was inducted into the Lauderdale County Sports Hall of Fame and the Alabama High School Sports Hall of Fame.

Eddie Frost not only left his mark on the city of Florence, the Shoals area, and the State of Alabama, he left an impression on our hearts. He was honest, out-going, and he was genuine. But
most importantly, he loved people, and he cared deeply for them. He loved his wife Bonnie, and their three children. I want to offer my sincerest condolences to them. I know the last few months since he was diagnosed with leukemia have been especially difficult for them. They will always be Eddie's family, and they can take great pride in the life he led, and the hearts he touched along the way.

**NDSU WRESTLING TEAM FLOOR STATEMENT**

- Mr. CONRAD. Mr. President, last month the North Dakota State University wrestling team once again showed the strength, grit and determination of North Dakotans by winning the NCAA Division II wrestling championship. Not only was this the second consecutive championship for the Bison, it was the fourth national title in school history.

As a native North Dakotan, I am exceptionally proud of this accomplishment. Defending their NCAA Division II Championship, the Bison finished 7½ points ahead of second place South Dakota State University in the NCAA Division II Finals on March 10. This year’s dramatic victory came down to the wire needing a victory by Bison heavy-weight Nick Severson to secure the victory over second place rival South Dakota State. Severson rose to the occasion by pinning an opponent he has never previously beaten. The stage for the upset heavyweight finale was set when each of the other Bison finalists, Todd Fuller and Steve Saxlund, did their part by becoming national champs at 174 and 184 pounds. For Saxlund, this was an impressive third straight national championship.

I congratulate the Bison wrestling program. Exceptional coaching, determined wrestlers, and remarkable teamwork led the Bison to their fourth national championship. They qualified all 10 members of their wrestling squad for the NCAA tournament. With all but one returning for next season, I expect to have the opportunity to make a similar announcement next year regarding the Bison’s success in the world’s oldest sport. Again, on behalf of all North Dakotans, I extend congratulations to the Bison on yet another successful season and wish the best of luck to the entire team.

**TRIBUTE TO DR. THOMAS E. STARZL**

- Mr. SPECTER. Mr. President, I wish to recognize and honor Dr. Thomas E. Starzl on the 20th anniversary of the first liver transplant performed in Pittsburgh.

On February 26, 1981, Dr. Starzl made history upon his performance of the first liver transplant at Presbyterian University Hospital (now UPMC Presbyterian). In the two decades since that remarkable accomplishment, Dr. Starzl has led the University of Pitts-burgh transplant program to national and international prominence. UPMC, now the largest and most successful transplant center in the world, has performed more than 5,700 liver transplants; 3,500 kidney transplants; 1,000 heart transplants; and 500 lung transplants—largely contributed to Dr. Starzl’s trailblazing vision.

Dr. Starzl’s influence reaches well beyond western Pennsylvania. He has been a pioneer in the field of organ transplantation for more than 40 years, and has compiled a distinguished career that spans the country and medical technology. Dr. Starzl performed the world’s first liver transplant in 1963 at the University of Colorado, and helped to develop the truly revolutionary surgical techniques and anti-rejection drugs which have brought organ transplantation to the mainstream of American medicine. Dr. Starzl has authored or co-authored more than 2,600 scientific articles and four honorary doctorates, and has been honored with more than 175 awards. Most recently, he was a co-winner of the King Faisal International Prize in Medicine for the year 2000, sharing the award with two other transplant pioneers. Although retired from clinical practice since 1991, Dr. Starzl continues to actively contribute to biomedical research as the director emeritus of the transplant institute in Pittsburgh, renamed in his honor in 1996. The Thomas E. Starzl Transplantation Institute and the University of Pittsburgh will pay tribute to Dr. Starzl this month with a “Fest-schrift,” a collection of articles by colleagues, former students and others published in his honor. This special event will inaugurate the Starzl Prize in Surgery and Immunology and unveil a portrait of Dr. Starzl that will be displayed in the University of Pittsburgh School of Medicine.

With more than 20 years of landmark advancements in science and medicine to his credit, I salute Dr. Thomas E. Starzl for his remarkable dedication and honor his contribution to the life-saving field of organ transplantation.

**MARY WALTERS**

- Mr. BINGAMAN. Mr. President, I learned this morning that Mary Walters, one of New Mexico’s most outstanding citizens has died at age 79. She was a pioneering spirit if there ever was one, and many of us who knew and admired her feel this loss keenly.

Not yet twenty-one, she served as a WASP, Women’s Auxiliary Service Pilot, during World War II. In a move that would shape her later career, she used her soon-to-expire GI benefits to go to college and then went on to earn a law degree at age forty. For the next half of her life, she went places no woman had gone before. She was elected President of the New Mexico Women’s Political Caucus and served in a leadership position in the Constitutional Convention.

She was the first woman named to the district court. Her service on the New Mexico Court of Appeals, 1978-1984, led to the New Mexico Supreme Court where she became the first woman to sit on that bench.

As we approach the beginning of Chaul Chhnnam, I encourage all U.S.
citizens to join in the spirit of this special holiday.

NATIONAL PECAN MONTH
• Mr. CLELAND. Mr. President, April is “National Pecan Month.” One of the nation’s important agricultural products, pecans are the only major tree nut that can be considered a true American nut. Pecans were first discovered growing in North America and parts of Mexico in the 1600’s and were given the name “pecan” based on the Native American word of Algonquin origin, meaning “all nuts requiring a stone to crack.” Pecans were favored by pre-colonial residents and served as a major source of food because they were accessible to waterways and easier to shell than other North American nut species.

Today, pecans are grown in Alabama, Arizona, Arkansas, California, Florida, Georgia, Kansas, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina and Texas and are enjoyed around the world as the perfect nut. According to U.S. Department of Agriculture statistics, over 436 million pounds of pecans were produced in the U.S. in 1999. In 2000, the majority of the world’s pecan production, 80 percent, comes from the U.S.

While valued for their wonderful aroma and flavor, a scientific research has begun to recently reveal an even more important reason to make pecans part of an everyday, healthy diet. According to researchers at leading academic institutions in this country, pecans have many of the important nutritional attributes that health professionals recommend. Not only are nutrition researchers finding that pecans can lower blood cholesterol levels when incorporated into the diet, food scientists have also found that pecans are a concentrated source of plant sterols, which are widely touted for their cholesterol-lowering ability. Numerous studies have also shown that phytochemicals like those found in pecans act as antioxidants, which can help to prevent disease. For Americans—especially those striving to eat a more plant-based diet—pecans are part of the protein group in the U.S. Department of Agriculture’s Food Guide Pyramid, making them a nutritious alternative for Americans who are vegetarians or striving to eat more plant-based diets. Pecans, which are naturally sodium-free, are also ideal for anyone who wishes to avoid added sodium and unsaturated fatty acids from fish, meat and poultry. In addition, pecans contain more than 19 important vitamins and minerals, including vitamins A and E, folic acid, calcium, magnesium, phosphorus, potassium, zinc and several B vitamins, and are a good source of fiber. Pecans are part of the protein group in the U.S. Department of Agriculture’s Food Guide Pyramid, making them a nutritious alternative for Americans who are vegetarians or striving to eat a more plant-based diet. Pecans, which are naturally sodium-free, are also ideal for anyone who wishes to restrict their sodium intake.

Pecans, a true all-American nut, deserve to be recognized. Not only for their long history of providing sustenance and enjoyment, but for the health benefits they can provide to Americans—especially those striving to eat a healthier diet. I hope my colleagues will join me in celebrating “National Pecan Month.”

MESSAGES FROM THE PRESIDENT
Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED
As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MEASURES PLACED ON THE CALENDAR
The following bill was read the second time, and placed on the calendar:

H.R. 8. An act to amend the Internal Revenue Code of 1986 to phaseout the estate and gift taxes over a 10-year period, and for other purposes.

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–1341. A communication from the Acting Administrator of Agricultural Marketing Service, Fruit and Vegetable Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled “Regulations regarding Handling, Grades, and Standards for Pecans” (RIN 0551–AA05) received on April 3, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1342. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Final: 40 CFR Part 158; Approvals and Petitions” (RIN 0898–9325) received on April 3, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1343. A communication from the Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Final: 40 CFR Part 158; Approvals and Petitions” (RIN 0898–9325) received on April 3, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1344. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled “Interim: 36 CFR Part 700;Adjustment of Rates” (RIN 0427–0488) received on April 3, 2001; to the Committee on Veterans’ Affairs.

EC–1345. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled “Proposed: 38 CFR Parts 35 and 36; Award of Noncompetitive Construction Contracts to Veterans Affected by Service” (RIN 0427–0487) received on April 3, 2001; to the Committee on Veterans’ Affairs.

EC–1346. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled “Signature by Mark” (RIN 0427–0486) received on April 3, 2001; to the Committee on Veterans’ Affairs.

EC–1347. A communication from the Director of the Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled “Signature by Mark” (RIN 0427–0486) received on April 3, 2001; to the Committee on Veterans’ Affairs.

EC–1348. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report of a rule entitled “Assessment Policies” (RIN 0460–0018) received on April 2, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1349. A communication from the Director of the Office of Federal Housing Enterprise Oversight, transmitting, pursuant to law, the report of a rule entitled “Rules of Practice and Procedure” (RIN 0460–0018) received on April 2, 2001; to the Committee on Banking, Housing, and Urban Affairs.

EC–1350. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Act, the certification of a proposed Manufacturing License Agreement with the Republic of Korea; to the Committee on Foreign Relations.

EC–1351. A communication from the Acting Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a report concerning the promulgation of an interim rule which amends 22 CFR Part 41.81; to the Committee on Foreign Relations.

EC–1352. 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 “Announcement and Report Concerning Pre-Filing Agreements” (RIN 2010– 38, 2001–17) received on April 3, 2001; to the Committee on Finance.

EC–1353. 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 “2000 Nonconventional Source Fuel Credit” (Notice 2001–31) received on April 3, 2001; to the Committee on Finance.

EC–1354. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the Financial Report of the United States Government for Fiscal Year 2000; to the Committee on Governmental Affairs.

EC–1355. A communication from the Director of the National Science Foundation,
PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table:

POM–4. A resolution adopted by the Lexington Fayette Urban County Government relative to parks and other natural resources; to the Committee on Energy and Natural Resources.

POM–5. A joint resolution adopted by the Legislature of the State of Wyoming relative to wildlife management; to the Committee on Appropriations.

ENROLLED JOINT RESOLUTION NO. 4

Whereas, the United States government has adopted and is implementing a plan for the recovery of the grizzly bear and gray wolf in the Northern Rocky Mountain region; and

Whereas, the federal policy to restore the grizzly bear and gray wolf in the Northern Rocky Mountain region has a continuing financial obligation which should be borne by the same broad segment of the United States population which imposed the policy in order to continue the effective management of these species; and

Whereas, significant portions of the range of these unique species are located within the Northern Rocky Mountain region on lands managed by the United States Department of the Interior and the United States Department of Agriculture, and

Whereas, the management of resident wildlife species not listed under the federal Endangered Species Act of 1973, as amended, is the responsibility of the states; and

Whereas, grizzly bear and gray wolf populations are increasing and should therefore be removed from the endangered species list, thereby shifting a substantial responsibility for management of these wildlife species to the state of Wyoming; and

Whereas, the Wyoming Legislature acknowledges its responsibility and authority for the management of the grizzly bear and gray wolf in the Northern Rocky Mountain region after those species have been removed from the list of endangered species; and

Whereas, providing a substantial permanent and stable source of funding to help pay for the costs of managing these unique species is essential for the successful management of the grizzly bear and gray wolf in the Northern Rocky Mountain region; and

Whereas, the costs to manage these wildlife species in the Northern Rocky Mountain region will be significantly greater than can be supported through state budgets alone; and

Whereas, a national trust should be established for the management of these wildlife species with the understanding that the responsible state and federal agencies will continue to seek federal and state funding for their respective legislative bodies for the continuing management of these wildlife species, consistent with their respective statutory mandates. Now, therefore, be it

Resolved by the members of the legislature of the State of Wyoming, a majority of all the members of each house, voting separately, concurring therein:

Section 1. That the Wyoming State Legislature endorses the establishment of the Northern Rocky Mountain Grizzly Bear and Gray Wolf Management Trust Fund within the National Fish and Wildlife Foundation, to provide funding for the management and compensation payments for losses incurred to private and public entities, made by state and federal entities arising out of the continuing management of grizzly bear and gray wolf populations in the Northern Rocky Mountain region.

Section 2. That the Wyoming State Legislature requests that the United States Congress fund the corpus of the Management Trust with a minimum of forty million dollars ($40,000,000.00) by January 1, 2003, which is the minimum amount presently anticipated to be required to fund the obligations resulting from the continuing management of these unique species.

Section 3. That the Wyoming State Legislature encourages individuals, businesses, corporations and organizations across the United States to contribute to the corpus of the Management Trust to ensure the continuing management of the grizzly bear and gray wolf in the Northern Rocky Mountain region of the United States.

Section 4. The Secretary of State of Wyoming shall cause copies of this resolution and a copy of the list of members voting for this proposal to the President of the United States, to the President of the United States Senate, to the Speaker of the House of Representatives of the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture and to the Wyoming Congressional Delegation.

POM–7. A concurrent resolution adopted by the Legislature of the State of Wyoming relative to wildlife management; to the Committee on Environment and Public Works.

Whereas, separation of powers is fundamental to the United States Constitution and the power of the federal government is limited; and

Whereas, the state of Wyoming has certain rights guaranteed to the states by the Constitution of the United States; and

Whereas, the United States Congress should not make decisions for the introduction or reintroduction of threatened or endangered species into boundaries of the state; and

Whereas, the costs of managing and conserving the threatened or endangered species is significantly greater than can be sustained through the annual operating budgets of state agencies; and

Whereas, the introduction or reintroduction of threatened or endangered species may have a negative impact on the state of Wyoming and its industries; and

Whereas, the United States Congress should not make decisions for the introduction or reintroduction of threatened or endangered species into the state of Wyoming without the consent and approval of the state; and

Whereas, the United States Congress should not make decisions for the introduction or reintroduction of threatened or endangered species into the state of Wyoming without providing necessary funding for the management and conservation of these species.

Now, therefore, be it

Resolved by the members of the legislature of the State of Wyoming, a majority of all the members of each house, voting separately, concurring therein:

Section 1. That the Wyoming State Legislature does not condone the introduction of threatened or endangered species pursuant to the federal “Endangered Species Act of 1973” 16 U.S.C. §1531, et seq., as amended, into the state of Wyoming without the approval and consent of the state of Wyoming.

Section 2. That the Wyoming State Legislature approves the United States Congress to appropriate monies for the management and conservation of threatened or endangered species into the state of Wyoming without violating necessary funding for the management and conservation of these species.

NOW, THEREFORE, BE IT

Resolved by the members of the legislature of the State of Wyoming, a majority of all the members of each house, voting separately, concurring therein:

Section 1. That the Wyoming State Legislature will continue to participate in issues regarding the management of resident wildlife species not listed under the federal Endangered Species Act of 1973 (as amended); to the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture, to the United States Secretary of Agriculture, to the Wyoming Congressional Delegation.

Section 2. That the Wyoming State Legislature will not support any proposals for the reintroduction of resident wildlife species not listed under the federal Endangered Species Act of 1973 into the state of Wyoming.

Section 3. That the Wyoming State Legislature will continue to participate in issues regarding the management of resident wildlife species not listed under the federal Endangered Species Act of 1973 (as amended); to the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture, to the Wyoming Congressional Delegation.

Section 4. That the Wyoming State Legislature will continue to participate in issues regarding the management of resident wildlife species not listed under the federal Endangered Species Act of 1973 (as amended); to the United States Congress, to the United States Secretary of Interior and the United States Secretary of Agriculture, to the Wyoming Congressional Delegation.
Whereas, under the Constitution of the United States, the states are given full authority over state and local government tax policy; and

Whereas, it is the duty of the judiciary to interpret the law, not to create law; and

Whereas, our present federal government has strayed from the intent of our founding fathers and the Constitution of the United States through inappropriate federal mandates; and

Whereas, federal district courts, with the acquiescence of the United States Supreme Court, continue to order states to levy or increase taxes to comply with federal mandates; and

Whereas, these court actions violate the Constitution of the United States; and

Whereas, the time has come for the people of this great nation and their duly elected representatives in state government to reaffirm, in no uncertain terms, that the authority to tax under the Constitution of the United States is retained by the people who, by their consent alone, do delegate such power to tax explicitly to those duly elected representatives in the legislative branch of government; and they choose, with the representatives being directly responsible and accountable to those who have elected them; now, therefore, be it

Resolved by the House of Representatives of North Dakota, the Senate Concurring thereon:

1. That the United States Congress prepare and submit to the several states an amendment to the Constitution of the United States to add a new article providing as follows:

"Neither the Supreme Court nor any inferior court of the United States shall have power to instruct or order a state or political subdivision thereof, or an official of such state or political subdivision, to levy or increase taxes finances state or political subdivisions;"

2. That this application constitutes a continuing application in accordance with Article V of the Constitution of the United States.

3. That the Fifty-seventh Legislative Assembly also proposes that the legislatures of each of the several states comprising the United States that have not yet made a similar request apply to the United States Congress requesting enactment of an appropriate amendment to the Constitution of the United States to apply to the United States Congress to propose such an amendment to the Constitution of the United States.

4. That the Secretary of State transmit copies of this resolution to the President and Vice President of the United States, the presiding officer in each house of the legislature in each of the states in the Union, the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the North Dakota Congressional Delegation.

POM–8. A concurrent resolution adopted by the Legislative Assembly to the Congress of the United States, by Joint Resolution, to amend the Constitution of the United States, so as to provide for the continuing application in accordance with Article V of the United States Constitution:

Resolved by the Senate of North Dakota, the House of Representatives concurring thereon:

That the Legislative Assembly rescinds the following applications made by the Legislative Assembly to the Congress of the United States to call a constitutional convention to amend Article V of the United States Constitution:

1967 House Concurrent Resolution 1, calling for a convention to amend the Constitution of the United States, relating to apportionment;

1971 Senate Concurrent Resolution No. 4013, calling for a convention to amend the Constitution of the United States to provide revenue sharing;

1975 Senate Concurrent Resolution 4018, calling for a convention to amend the Constitution of the United States to require a balanced cash budget for each session of Congress except in time of war or national emergency;

1979 Senate Concurrent Resolution No. 4033, calling for a convention to amend the Constitution of the United States to prohibit federal estate taxes;

Be it further resolved, that the Legislative Assembly urges the legislative bodies of each state that have applied to Congress to call a convention to rescind; and

By Mr. KOHL (for himself, Mr. DIONGIAN, and Mr. CONRAD):

S. 728. A bill to establish a demonstration project to waive certain nurse aide training requirements for specified individuals who perform specific tasks in nursing facilities participating in the Medicare, Medicaid, or other state programs, and to amend the Social Security Act to provide for the payment of grants and loan repayments to states and applicants to establish the demonstration project; and

By Mr. NELSON of Florida:

S. 731. A bill to ensure that military personnel do not lose the right to cast votes in elections in their domicile as a result of their service away from the domicile, and to amend the Uniformed and Overseas Citizens Absentee Voting Act to extend the voter registration and absentee ballot protections for absent uniformed services personnel under such Act to State and local elections, and for other purposes; to the Committee on Rules and Administration.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee is submitted:

By Mr. SPECTER for the Committee on Veterans’ Affairs.

TIm S. McClain, of California, to be General Counsel, Department of Veterans Affairs.

(above nomination was reported with the recommendation that it be confirmed subject to the nominee’s commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. BOND (for himself and Mr. BREAUX):

S. 724. A bill to amend title XXI of the Social Security Act to provide for coverage of pregnancy-related assisted reproductive services for targeted low-income pregnant women; to the Committee on Finance.

By Mr. GRASSLEY:

S. 725. A bill to amend the Internal Revenue Code of 1986 to codify the authority of the Secretary of the Treasury to issue regulations covering the practices of enrolled agents before the Internal Revenue Service; to the Committee on Finance.

By Mr. BREAUX (for himself, Mr. THOMPSON, Mr. MILLER, Mr. GILLESPIE, Ms. LANDRIEU, Mr. DETWILER, Mr. BUNNING, and Mr. FEIST):

S. 726. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of prepayments for natural gas; to the Committee on Finance.

By Ms. COLLINS (for herself and Mr. FRINGOLO):

S. 727. A bill to provide grants for cardiopulmonary resuscitation (CPR) training in public schools; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KOHL (for himself, Mr. DIONGIAN, and Mr. CONRAD):

S. 728. A bill to establish a demonstration project to waive certain nurse aide training requirements for specified individuals who perform specific tasks in nursing facilities participating in the Medicare, Medicaid, or other state programs, and to amend the Social Security Act to provide for the payment of grants and loan repayments to states and applicants to establish the demonstration project; and

By Mr. NELSON of Florida:

S. 731. A bill to ensure that military personnel do not lose the right to cast votes in elections in their domicile as a result of their service away from the domicile, and to amend the Uniformed and Overseas Citizens Absentee Voting Act to extend the voter registration and absentee ballot protections for absent uniformed services personnel under such Act to State and local elections, and for other purposes; to the Committee on Rules and Administration.

By Mr. JOHNSON (for himself, Mr. HUTCHINSON, and Mrs. LINCION):

S. 730. A bill to amend title XVIII of the Social Security Act to provide for the fair treatment of certain physician pathology services under the Medicare program; to the Committee on Finance.
By Mr. DE WINE:
S. 735. A bill to amend title 18 of the United States Code to add a general provision for criminal attempt; to the Committee on the Judiciary.

By Mr. ALLARD (for himself, Mr. REID, and Mr. ENSENCE):
S. 737. A bill to amend title 10, United States Code, to provide for the appointment of a Chief of the Veterinary Corps of the Army in the grade of brigadier general, and for other purposes; to the Committee on Armed Services.

By Mr. REID (for himself and Mr. Ensign):
S. 738. A bill to designate the facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, as the "Joseph E. Dini, Jr., Post Office"; to the Committee on Post Office and Civil Service.

By Mr. SMITH of New Hampshire:
S. 738. A bill to amend the Voting Rights Act of 1965 to protect the voting rights of members of the Armed Forces; to the Committee on Rules and Administration.

By Mr. WELLSTONE (for himself, Mrs. MURRAY, MR. DAYTON, MS. STABENOW, MR. KENNEDY, MR. DURBIN, MS. LANDREAU, MR. DASCHEL, MR. REID, and MR. JOHNSON):
S. 739. A bill to amend title 38, United States Code, to provide for veterans' programs for homeless veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HUTCHISON:
S. 740. A bill to provide for open competition and Federal Government neutrality towards the labor relations of Federal Government contractors on Federal and federally funded construction projects; to the Committee on Governmental Affairs.

By Mr. SESSIONS:
S. 741. A bill to amend the Internal Revenue Code of 1986 to provide tax credits with respect to nuclear facilities, and for other purposes; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Mr. BACCUSS, MR. GRAHAM, MR. HATCH, MR. BREAUXX, MR. MUKOWSKI, MR. KERRY, MR. JEFFORDS, MR. TORRECCEI, MR. KYL, MRS. LINCOLN, MR. HUTCHISON, MR. JOHNSON, MR. HAGEL, MR. DURBIN, MR. GREGO, MR. SCHUMER, MRS. HUTCHISON, MR. BAYH, MR. CHAFEE, and MR. REID):
S. 742. A bill to provide for pension reform, and for other purposes; to the Committee on Finance.

By Mr. REED (for himself, MRS. CLINTON, and MR. SCHUMER):
S. 743. A bill to establish a medical education trust fund, and for other purposes; to the Committee on Finance.

By Mr. HUTCHISON (for herself, MR. LIEBERMAN, and MR. FRINKOLD):
S. 744. A bill to amend section 527 of the Internal Revenue Code of 1986 to eliminate notification and return requirements for State and local candidate committees and avoid duplicate reporting by certain State and local candidates and committees of information required to be reported and made publicly available under State law; to the Committee on Finance.

By Mr. LEAHY (for himself, MR. JEFFORDS, MR. FRINKOLD, MR. BINGEAMAN, and MR. DODDO):
S. 745. A bill to amend the Child Nutrition Act of 1966 to promote better nutrition among school children participating in the school breakfast and lunch programs; to the Committee on Agriculture, Nutrition, and Forestry.

By MR. AKAKA (for himself and MR. INOUE):
S. 746. A bill to express the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition by the United States of the Native Hawaiian governing entity, and for other purposes; to the Committee on Indian Affairs.

By Mrs. BOXER:
S. 747. A bill to authorize the Attorney General to make grants to local educational agencies to carry out school violence prevention and school safety programs in secondary schools; to the Committee on the Judiciary.

By MR. FITZGERALD (for himself, MR. SCHUMER, MR. JEFFORDS, MR. BINGEAMAN, MR. DE WINE, MRS. CLINTON, MS. COLLINS, MR. LIEBERMAN, MR. MCCAIN, MR. KERRY, MS. FEINSTEIN, MS. SNOWE, MRS. BOXER, MR. SMITH of Oregon, and MR. TORRECCEI):
S. 749. A bill to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes; to the Committee on Finance.

By Mr. BIDEN:
S. 750. A bill to amend the Internal Revenue Code of 1986 to provide the same tax treatment for danger pay allowance as for combat pay; to the Committee on Finance.

By Mr. CLINTON:
S. 751. A bill to express the sense of the Senate concerning a new drinking water standard for arsenic; to the Committee on Environment and Public Works.

By Mr. BURNS:
S. 752. A bill to amend the Internal Revenue Code of 1986 to reclassify computer equipment as 3-year property for purposes of depreciation; to the Committee on Finance.

By MR. BREAUXX (for himself, MR. CRAIG, MR. DORGAN, MR. BURNS, MR. CONRAD, MR. ENZL, MS. LANDREAU, MR. THOMAS, MR. GRAHAM, MR. CHAFEO, MR. BACCUSS, MR. NELSON of Nebraska, MR. DAYTON, MR. INOUE, MR. AKAKA, MR. ALLARD, and MR. HARKIN):
S. 753. A bill to provide for the Harmonized Tariff Schedule of the United States to prevent circumvention of the sugar tariff-rate quotas; to the Committee on Finance.

By MR. LEAHY (for himself, MR. KOHL, MR. SCHUMER, and MR. DURBIN):
S. 754. A bill to enhance competition for prescription drugs by increasing the ability of the Department of Justice and Federal Trade Commission to enforce existing antitrust laws regarding brand name drugs and generic drugs; to the Committee on the Judiciary.

By Mrs. MURRAY (for herself and MR. SMITH of Oregon):
S. 755. A bill to continue State management of the West Coast Dungeness Crab fishery; to the Committee on Commerce, Science, and Transportation.

By MR. HARKIN:
S. 756. A bill to provide for the preservation of six day mail delivery; to the Committee on Governmental Affairs.

ADDITIONAL COSPONSORS
S. 99
At the request of MR. KOHL, the name of the Senator from Arkansas (Ms. LINCOLN) was added as a cosponsor of S. 99, a bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes.

S. 145
At the request of MR. THURMOND, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 145, a bill to amend title 10, United States Code, to increase to parity with other surviving spouses the basic annuity that is provided under the uniformed services Survivor Benefit Plan for surviving spouses who are at least 62 years of age, and for other purposes.

S. 170
At the request of MR. REID, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 198
At the request of Mr. CRAIG, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 198, a bill to require the Secretary of the Interior to establish a program to provide assistance through States to eligible weed management entities to control or eradicate harmful, non-native weeds on public and private lands.

S. 258
At the request of Ms. SNOWE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 258, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of annual screening pap smear and screening pelvic exams.

S. 277
At the request of Mr. KENNEDY, the name of the Senator from Wisconsin (Mr. KOHL) was added as a cosponsor of S. 277, a bill to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. JOHNSON:
S. Res. 69. Resolution congratulating the Fighting Irish of Notre Dame for winning the 2001 women's basketball championship; considered and agreed to.

By Mr. DURBIN (for himself and Mr. SARRIN of New Hampshire):
S. Res. 79. Resolution of the Senate congratulating The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals; considered and agreed to.

By Mr. HARKIN:
S. Res. 71. A resolution expressing the sense of the Senate regarding the need to preserve six day mail delivery; to the Committee on Governmental Affairs.

By Mr. BREAUX (for himself, Mr. CRAIG, MR. DORGAN, MR. BURNS, MR. CONRAD, MR. ENZL, MS. LANDREAU, MR. THOMAS, MR. GRAHAM, MR. CHAFEO, MR. BACCUSS, MR. NELSON of Nebraska, MR. DAYTON, MR. INOUE, MR. AKAKA, MR. ALLARD, and MR. HARKIN):
S. 753. A bill to provide for the Harmonized Tariff Schedule of the United States to prevent circumvention of the sugar tariff-rate quotas; to the Committee on Finance.
At the request of Mr. Murkowski, the name of the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 388, a bill to protect the energy and security of the United States and decrease America's dependency on foreign oil sources by reducing emissions of air pollutants and greenhouse gases; mitigate the effect of increases in energy prices on the American consumer, including the poor and the elderly; and for other purposes.

S. 388

At the request of Mr. Murkowski, the name of the Senator from Indiana (Mr. Lugar) was added as a cosponsor of S. 452, a bill to amend title XVIII of the Social Security Act to ensure that the Secretary of Health and Human Services provides appropriate guidance to physicians, providers of services, and ambulance providers that are attempting to properly submit claims under the medicare program to ensure that the Secretary does not target inadvertent billing errors.

S. 452

At the request of Mr. Biden, the name of the Senator from California (Mrs. Boxer) was added as a cosponsor of S. 570, a bill to establish a permanent Violence Against Women Office at the Department of Justice.

S. 570

At the request of Mr. Baucus, the name of the Senator from Maryland (Ms. Mikulski) was added as a cosponsor of S. 643, a bill to implement the agreement establishing a United States-Jordan free trade area.

S. 643

At the request of Mr. Reid, the names of the Senator from Massachusetts (Mr. Kerry), the Senator from Louisiana (Mr. Voinovich), and the Senator from Illinois (Mr. Durbin) were added as cosponsors of S. 656, a bill to provide for the adjustment of status of certain nationals of Liberia to that of lawful permanent residence.

S. 656

At the request of Mr. Thompson, the name of the Senator from Maine (Ms. Snowe) was added as a cosponsor of S. 661, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent per gallon excise tax on alternative fuel used in vehicles, including hybrid electric vehicles.

S. 661

At the request of Mr. Hatch, the names of the Senator from Rhode Island (Mr. Chafee), and the Senator from Pennsylvania (Mr. Specter) were added as cosponsors of S. 697, a bill to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.

S. 697

At the request of Mrs. Murray, her name was added as a cosponsor of S. 697, supra.

S. CON. RES. 14

At the request of Mr. Campbell, the name of the Senator from Mississippi (Mr. Lott) was added as a cosponsor of S. Con. Res. 14, a resolution recognizing the social problem of child abuse and neglect, and supporting efforts to enhance public awareness of it.

S. RES. 66

At the request of Mr. Thomas, the names of the Senator from Delaware (Mr. Carper), the Senator from Ohio (Mr. Voinovich), the Senator from Oklahoma (Mr. Inhofe), the Senator from Michigan (Ms. Stabenow), the Senator from Mississippi (Mr. Cochran), the Senator from Vermont (Mr. Leahy), the Senator from Arkansas (Mrs. Lincoln), the Senator from Maryland (Ms. Mikulski), the Senator from Iowa (Mr. Grassley), the Senator from Georgia (Mr. Miller), the Senator from Tennessee (Mr. Frist), the Senator from Oklahoma (Mr. Nickles), the Senator from Missouri (Mr. Bond), the Senator from Georgia (Mr. Cleland), the Senator from Idaho (Mr. Craig), the Senator from Texas (Mrs. Hutchison), the Senator from Massachusetts (Mr. Kerry), the Senator from South Carolina (Mr. Holt), the Senator from Ohio (Mr. DeWine), the Senator from Massachusetts (Mr. Kennedy), the Senator from California (Ms. Feinstei, the Senator from Oregon (Mr. Smith), the Senator from Massachusetts (Mr. Lieberman), the Senator from Connecticut (Mr. Lieberman), and the Senator from New Mexico (Mr. Romero) were added as cosponsors of amendment No. 210 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 210

At the request of Mr. Bond, the names of the Senator from South Carolina (Mr. Holt), the Senator from Ohio (Mr. DeWine), the Senator from Massachusetts (Mr. Kennedy), the Senator from California (Ms. Feinstei, the Senator from Oregon (Mr. Smith), the Senator from Massachusetts (Mr. Lieberman), the Senator from Connecticut (Mr. Lieberman), and the Senator from New Mexico (Mr. Romero) were added as cosponsors of amendment No. 231 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 231

At the request of Mr. Bingaman, his name was added as a cosponsor of amendment No. 211 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 211

At the request of Mrs. Murray, the name of the Senator from Maryland (Ms. Mikulski) was added as a cosponsor of amendment No. 231 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 234

At the request of Mr. Dodd, the names of the Senator from New York (Mrs. Clinton), and the Senator from Maryland (Ms. Mikulski) were added as cosponsors of amendment No. 231 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 235

At the request of Mr. Conard, his name was added as a cosponsor of amendment No. 183 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 183

At the request of Mrs. Murray, her name was added as a cosponsor of amendment No. 183 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 232
amendment No. 235 intended to be proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 236**

At the request of Mr. DeWine, the names of the Senator from Arizona (Mr. McCain), the Senator from Maine (Ms. Collins), the Senator from Massachusetts (Mr. Kerry), the Senator from Alaska (Mr. Stevens), and the Senator from Oregon (Mr. Smith) were added as cosponsors of amendment No. 236 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 238**

At the request of Mr. Leahy, the names of the Senator from Minnesota (Mr. Binger), the Senator from New Hampshire (Ms. Collins), the Senator from Violet (Mr. Leahy), the Senator from Maine (Ms. Collins), and the Senator from Maine (Ms. Snowe) were added as cosponsors of amendment No. 238 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 239**

At the request of Mr. Kerry, the names of the Senator from Vermont (Mr. Jeffords), the Senator from Massachusetts (Mr. Kennedy), the Senator from California (Mrs. Feinstein), the Senator from Washington (Mrs. Murray), the Senator from Vermont (Mr. Leahy), the Senator from Maine (Ms. Collins), and the Senator from Maine (Ms. Snowe) were added as cosponsors of amendment No. 239 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 253**

At the request of Mr. Conrad, his name was added as a cosponsor of amendment No. 253 proposed to H. Con. Res. 83, supra.

**AMENDMENT NO. 302**

At the request of Mr. Domenici, his name was added as a cosponsor of amendment No. 302 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 303**

At the request of Mr. Domenici, his name was added as a cosponsor of amendment No. 303 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 316**

At the request of Mr. Grassley, his name was added as a cosponsor of amendment No. 316 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 317**

At the request of Mr. Grassley, his name was added as a cosponsor of amendment No. 317 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 318**

At the request of Mr. Hatch, the names of the Senator from Arizona (Ms. Snowe), the Senator from Vermont (Mr. Javits), the Senator from New Mexico (Mr. Bingaman), the Senator from Arizona (Ms. Snowe), and the Senator from Arizona (Mr. McCain) were added as sponsors of amendment No. 318 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 319**

At the request of Mr. Harkin, the names of the Senator from Minnesota (Mr. Binger), the Senator from New Hampshire (Ms. Collins), the Senator from Vermont (Mr. Leahy), the Senator from Maine (Ms. Collins), and the Senator from Maine (Ms. Snowe) were added as cosponsors of amendment No. 319 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 320**

At the request of Mr. Johnson, his name was added as a cosponsor of amendment No. 320 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 321**

At the request of Mr. Johnson, his name was added as a cosponsor of amendment No. 321 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 322**

At the request of Mr. Johnson, his name was added as a cosponsor of amendment No. 322 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

**AMENDMENT NO. 323**

At the request of Mr. Johnson, his name was added as a cosponsor of amendment No. 323 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.
AMENDMENT NO. 325

At the request of Mr. DOMENICI, his name was added as a cosponsor of amendment No. 325 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

AMENDMENT NO. 326

At the request of Mr. INHOFE, his name was added as a cosponsor of amendment No. 325 proposed to H. Con. Res. 83, supra.

At the request of Mr. CONRAD, his name was added as a cosponsor of amendment No. 325 proposed to H. Con. Res. 83, supra.

AMENDMENT NO. 327

At the request of Mr. GRAHAM, the names of the Senator from Arkansas (Mr. HUTCHINSON), the Senator from Washington (Mrs. MURRAY), the Senator from New York (Mrs. CLINTON), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Mexico (Mr. BINGMAN) were added as cosponsors of amendment No. 317 proposed to H. Con. Res. 83, a concurrent resolution establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011.

STATMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—APRIL 5, 2001

By Mr. HATCH (for himself, Mr. HARKIN, Mr. CAMPBELL, Mr. DURBIN, Mr. DASCHLE, Mr. ROBERTS, Mr. DAYTON, Mr. CONRAD, Mr. DORGAN, Mr. JOHNSON, Mr. FINKEN, Mr. KALCHIK, Mr. NELSON of Nebraska, Mr. GRASSELY, Mr. LUGAR, Mr. BOND, Mr. BROWNBACK, Mrs. FEINSTEIN, Mr. AKAKA, Mr. BINGMAN, Mr. BAUCUS, Mr. BURNS, Mr. CRAIG, Mr. ENZI, Mr. THOMAS, Mrs. LANDSCOM, Mr. HOLLINGS, Mr. HELMS, Mrs. CLINTON, Mr. CRAPO, Ms. MIKULSKI, Mr. LEAHY, Mr. FITZGERALD, Mr. WYDEN, Mr. ROCKEFELLER, Mr. ALLArd, and Ms. STABENOW):

S. 708. A bill to provide the citizens of the United States and Congress with a report on coordinated actions by Federal agencies to prevent the introduction of foot and mouth disease and bovine spongiform encephalopathy into the United States and other information to assess the economic and public health impacts associated with the potential threats presented by those diseases; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. HATCH. Mr. President, I rise today to introduce the Animal Disease Risk Assessment, Prevention, and Control Act of 2001. I want to thank my friend the Senator from Indiana, Mr. HARKIN, for his partnership in developing this bipartisan bill. I also want to recognize Senator CAMPBELL’s exceptional leadership in bringing to the forefront of public discussion the issue of the potential linkage between BSE and variant Creutzfeldt-Jakob Disease (vCJD), a condition affection humans.

Here is what the bill does in a nutshell. The legislation lays out a series of detailed findings that set forth the current state of knowledge with respect to these two diseases. A key provision of the bill requires the Secretary of Agriculture to submit two reports to Congress. The first report, to be submitted in 30 days of enactment, requires the Administration to identify and respond to any immediate need for additional legislative authority or funding. The second report, to be submitted within 180 days of adoption, requires the submission of a comprehensive analysis of the risks of FMD and BSE to American livestock and beef industry, the potential economic consequences if FMD or BSE are found in the United States, and information concerning the potential linkage between BSE and variant Creutzfeldt-Jakob Disease (vCJD), a condition affection humans.

The legislation requires the Secretary of Agriculture to consult with the Secretaries of State, Treasury, Defense, Commerce, Health and Human Services, the United States Trade Representative, the Director of the Federal Emergency Management Agency, and other appropriate federal personnel when she develops both the reports mandated by this bill. In addition, in issuing the comprehensive 180-day report, the Secretary of Agriculture must consult with international, State, and local government animal health officials, experts in infectious disease research, prevention and control, livestock product experts, representatives of blood collection and distribution entities, and representatives of consumer and patient organizations. A chief goal of that report is to help devise a coordinated plan to prevent the introduction of FMD and BSE into the United States and to help identify the proper corrective steps if FMD and BSE find their way into our country.
Mr. President, let me take this opportunity to comment upon some common myths on this issue. First, the public should know that there is no known etiologic relationship between BSE and FMD. While it is true that these diseases have occurred in the same region within a shared timeframe, the fact is that the two diseases are quite distinct and have occurred independently from one another.

BSE is a transmissible, neuro-degenerative disease of cattle. The disease is believed to have an incubation period of years, but once active in cattle it can quickly become fatal in a matter of a few weeks. It is carried in the brain and spinal cord of the animal, not in the meat products normally consumed by humans.

In a practice banned in the U.S., cattle in Great Britain were fed protein products derived from other animal products, which may have carried BSE. Scientists believe that this practice led to the disease in Great Britain and Europe. I want to emphasize that the importation into the U.S. of grazing animals from BSE-prevalent countries has been forbidden since 1997. I also want to point out that our U.S. law also prohibits the feeding of most animal proteins to grazing animals.

As for foot and mouth disease, it is a highly contagious virus affecting cloven hoofed animals, including cattle, swine, sheep, goats, deer, and others. Although the disease was eradicated in the U.S. in 1929, it could be reintroduced by a single infected animal or animal product from another country, or by a person or conveyance that carries the virus from another country. It can then spread quickly among our domestic herds by animal contact or through the aerosol transmission. We cannot afford to allow that to happen.

The disease can be carried by the wind from one animal to another. Animals infected by FMD can be cured by mal proteins to grazing animals. As for foot and mouth disease, it is a principally an animal disease and is not thought to be threatening to human health. Humans can, however, spread the disease to animals.

I am concerned that based on the outbreak of these diseases in Europe and the potential for spread into the U.S., consumers might question the safety and wholesomeness of animal products sold in this country. Because of our vigilance in the past our nation has a very safe and wholesome meat supply, and we should be proud of that. In fact, other nations have been seeking out American meat products, because they know that our animals health system is strong and has successfully kept these diseases out of our domestic livestock herds.

Mr. President, the Animal Health Risk Assessment, Prevention, and Control Act of 2001, will help the United States to maintain the safety of our food supply and will help our nation to evaluate the sufficiency of the steps taken, or planned, to protect our citizens from any potential untoward impacts if these animal diseases enter into the United States.

Mr. HARKIN. Mr. President, today I am pleased to join Senator HATCH and thirty-seven other Senators in introducing the Animal Disease Risk Assessment, Prevention, and Control Act of 2001. This legislation helps make sure that our country is on a solid footing to protect our country’s public and economy from the astounding losses that could come from an animal disease such as Food and Mouth Disease, FMD, or Bovine Spongiform Encephalopathy, BSE, arriving on our shores.

As we know all too well from observing the experience of the EU, either of these diseases could potentially wreak tens of billions of dollars in lost livestock and markets if they were ever found in the U.S. BSE, with its suspected linkages to New Variant Creutzfeldt-Jacob Disease, could cause some Americans to suffer its cruel, fatal effects.

Fortunately, we have an animal and public health system that has successfully prevented either of these diseases from entering our country. This is testimony to the men and women who work each day to protect our nation from foreign animal diseases. But the price of this success is unremitting vigilance. We must ensure there are no gaps in our defenses. The sheer volume of travel and commerce between the United States and the European Union is placing unprecedented strain on our animals health system.

This legislation will give Congress a clearer picture of where the potential risks to animal and human health may lie, and what must be done to prevent them. It will provide Congress and the public with a blueprint for what is currently being done, and what must be done in the future.

The health of our animals is inextricably linked with the health of our populace and economy. It is crucial to continuing to provide a safe, abundant supply of food. I hope this legislation will be passed quickly, to send a clear message that Congress stands ready to do what it takes to ensure that our success in protecting our shores from FMD and BSE remains unbroken.

Mr. DASCHLE. Mr. President, the outbreak of Foot and Mouth Disease, FMD, and Bovine Spongiform Encephalopathy, BSE, and other new and emerging animal diseases, may cause heightened attention to our ability to prevent the spread of these diseases to the United States. Although the U.S. has not had an outbreak of Foot and Mouth Disease since 1929, and has had no known cases of BSE, their recent spread in Europe and other countries has raised serious concerns domestically. Given the extremely contagious nature of FMD, an outbreak in the U.S. could be catastrophic to the domestic farm economy. We would have serious ramifications for other economic sectors as well. BSE is not as contagious as FMD, but it causes a disease in humans that is fatal. Overall, BSE is much less well understood than FMD, which is itself a risk factor.

I appreciate the significant work of USDA and other agencies to control and contain the threat that FMD and BSE may pose to human health, in the case of BSE, and the health of domestic livestock and wildlife. However, we must do more, and we must do it quickly. I believe that the Administration’s efforts would benefit from greater cooperation among Federal, State, and local agencies, and increased attention to the availability of public information. Additionally, Congress needs data relevant to the development of longer-term disease prevention and management strategies, as well as assurance as to whether the Administration will require increased statutory or funding to respond to this situation appropriately and expeditiously.

In an effort to contain the spread of FMD, South Dakota has instituted restrictions on individuals traveling from...
countries with confirmed cases. However, American embassies in the European Union, and possibly other countries, are not aware of these restrictions related to its containment. Additionally, airport and airline personnel appear to be inadequately informed about the potential risks this country to take appropriate measures to avoid introducing the disease to U.S. livestock or wildlife.

A constituent of mine recently reported that a visitor coming to South Dakota from France contacted the American Embassy there to inquire about potential restrictions prior to his trip, but was told they knew of none. In fact, the state of South Dakota has banned visits to farms, sale barns and a list of other facilities for five days prior to travel, and contact with livestock or wildlife for five days after arrival in the U.S. In another incident, two producers who were part of a tour group returning from Ireland through Chicago O’Hare International Airport independently sought out disinfectant for their shoes and other belongings before returning to the state, after realizing that no airport or airline personnel were requiring travelers to take precautions.

This week I have worked with my colleagues on both sides of the aisle to draft a bill to address these needs. Today, I join Senators HARKIN and HATCH, and over 40 of our colleagues, to introduce The Animal Disease Risk Assessment Prevention and Control Act of 2001. The bill would require USDA, in consultation with other relevant federal agencies, to submit what I think will be very valuable information to Congress, in the shortest time feasible.

First, the bill would require USDA to provide information about the Administration’s FMD and BSE prevention and control plan, including: 1. how federal coordinating and communicative activities on FMD and BSE; 2. how federal agencies are communicating information on FMD and BSE to the public; and 3. whether the Administration needs additional legislative authority or funding to most appropriately manage the threat that FMD, BSE, or related diseases may pose to human health, livestock, or wildlife.

Second, the bill would require USDA to provide information relevant to a longer-term disease prevention management strategy for reducing risks in the future, including: 1. The economic impacts associated with the potential introduction of FMD, BSE, or related diseases into the United States; 2. The potential risks to public and animal health from FMD, BSE, and related diseases; and 3. recommendations to protect the health of our animal herds and our citizens from these risks, including, if necessary, recommendations for additional legislative authority or funding.

One of the most important steps we can take to prevent the introduction of FMD and BSE to the U.S. is also one of the simplest: improved access to information. In addition to the actions USDA, FDA and other agencies are taking to control the diseases, it is imperative that the State Department, the Department of Treasury, the Department of Transportation, the Department of Agriculture and other agencies act immediately to provide the best possible information to travelers, the military, and others, including news of sanitation, travel restrictions, and other precautions.

Again, I commend the actions USDA and other agencies to prevent the incidence of these diseases abroad from creating a crisis in the U.S. I think we all appreciate the sensitivity of this issue, and that no one gains from exaggerating or misrepresenting potential risks in a situation such as this. Neither would the U.S. benefit in the long run by limiting trade with other countries for reasons other than those that are purely health and safety-related, and that are substantiated.

At the same time, we have every right to protect the health of our domestic livestock industry in a pro-active and comprehensive manner. To that end, I look forward to passing this legislation quickly, so we can ensure that the Administration has the information and resources it needs to respond to this situation and to ensure that the public is fully aware of the steps being taken on their behalf.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS—APRIL 6, 2001

By Mr. BOND (for himself and Mr. BREAUX):

S. 724. A bill to amend title XXI of the Social Security Act to provide for coverage of pregnancy-related assistance for targeted low-income pregnant women; to the Committee on Finance.

Mr. Bond. President, I rise today to introduce a bill that I believe is vitally important to the health care of children and pregnancy women in America. The goal of this legislation is simply, to make sure more pregnancy women and more children are covered by health insurance so they have access to the health care services they need to be healthy.

The need is great, on any given day, approximately 11 million children and 2.7 million women do not have health insurance coverage. For many of these women and children, they or their family simply can’t afford insurance, and lack of insurance often means inability to pay for care. The further tragedy is that quite a few are actually eligible for a program like Medicaid or the State Children’s Health Insurance Program, but many of those don’t know they are eligible and are not signed up.

Lack of health insurance can lead to numerous problems, both for children and for pregnant women. A child without health coverage is much less likely to receive the health care services that are needed to ensure the child is healthy, happy, and fully able to learn and grow. An uninsured pregnant woman is much less likely to get critical prenatal care that reduces the risk of health problems for both the woman and the child. Babies whose mothers receive prenatal or late prenatal care are at-risk for many health problems, including birth defects, prematurity, and birth weight.

The bill I am introducing deals with this insurance problem in two ways. First, it allows states to provide prenatal care for low-income pregnant women under the State Children’s Health Insurance Program—also known as SCHIP—if the state chooses.

Through the joint federal-state SCHIP program, states are currently expanding the availability of health insurance for low-income children. However, federal law prevents states from using SCHIP funds to provide prenatal care for low-income pregnant women over age 19, even though babies born to many low-income women become eligible for SCHIP as soon as they are born. Approximately 41,000 additional women could be covered for prenatal care were federal law to increase $50 million in dollars of SCHIP funds that states have not used yet, so I would hope that most states would choose this option. This provision will not impact federal SCHIP expenditures because it does not change the existing federal spending caps for SCHIP. Babies born to pregnant women covered by a state’s SCHIP program would be automatically enrolled and receive immediate coverage under SCHIP themselves.

It is foolish to deny prenatal care to a pregnant mother and then, only after the baby is born, provide the child with coverage under SCHIP. Prenatal care can be just as important to a newborn baby as postnatal care, and the pregnancy care is of course important for the mother as well.

We know that states will be interested. Two states have already gone through the difficult Health Care Financing Administration waiver process to get permission to cover pregnant women through their SCHIP programs. But you shouldn’t have to get a waiver to do something that makes so much sense. This bill will make it an automatic option that any state can do without the need.

Second, the bill will help states reach out to women and children who are eligible for, but are not enrolled in, Medicaid or SCHIP. Approximately 340,000 pregnant women and several million children are estimated to be eligible for, but not enrolled in, Medicaid. Millions of additional children are eligible for but not yet enrolled in SCHIP. We must reach out to these people to make sure they know they have options which they are not using.

When Congress passed the welfare reform bill back in 1996, we created a $500 million fund that states could tap into to make sure that all Medicaid-eligible
people stayed in Medicaid. The problem is that only half of that fund has been used. My bill would give states more flexibility to use this fund to reach out to both Medicaid and SCHIP-eligible women and children.

In addition, my bill tries to make greater use of something known as presumptive eligibility. Under presumptive eligibility, states are allowed to temporarily enroll children whose family income appears to be below Medicaid or SCHIP income standards, until a final determination of eligibility is made. This is useful because it allows people to get health care services at the same time that they are waiting, sometimes for as much as a month or two, for a final eligibility determination.

Without presumptive eligibility, experience has shown that fewer people will fill out the applications forms, and fewer people will be willing to wait until a final decision is made. When it comes to prenatal care, millions of women are lacking adequate prenatal care, and with hundreds of thousands lacking adequate prenatal care, we need to remove as many barriers as possible. That is why presumptive eligibility is useful, it removes a barrier.

Right now, states may grant presumptive eligibility for both pregnant women in Medicaid and for children in Medicaid and in SCHIP. Because my legislation would allow pregnant women to be covered through SCHIP for the first time, my bill also extends presumptive eligibility for pregnant women into the SCHIP program. In addition, in legislation passed last December, Congress expanded the types of sites states can use to grant presumptive eligibility for children to also include schools and other entities that states think will be able to identify people eligible for these programs. However, we failed to give states the ability to use these additional entities as sites to enroll pregnant women. My bill would correct that omission.

The purpose of this bill will help provide health care to more pregnant women. With hundreds of thousands of pregnant women lacking insurance, and with hundreds of thousands lacking adequate prenatal care, we are compelled to focus on this issue. I believe this is crucial legislation, and urge my colleagues to join me in support of it so that we can pass this bill.

By Mr. GRASSLEY:

S. 725. A bill to amend the Internal Revenue Code of 1986 to codify the authority of the Secretary of the Treasury, to issue regulations covering the practices of enrolled agents before the Internal Revenue Service; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, today I rise to introduce the Enrolled Agent Credentials Protection Act. This legislation would make it clear that Enrolled Agents have the right to use their federally granted credentials, by making it clear that states shall not restrict enrolled agents from using the words "Enrolled Agent" or the abbreviations "EA" and "E.A."

A number of states have enacted laws that restrict the right of Enrolled Agents to use their credentials or designations as Enrolled Agents. The Supreme Court has held in similar situations that the Federal Government grants the license, restricting its use is an unmerited exercise of state powers. This legislation is consistent with the Uniform Accountancy Act, Third Edition, as drafted by the American Institute of Certified Public Accountants and National Association of State Accountancy Boards.

Enrolled Agents have been providing valuable services to taxpayers since 1884. Since that time, the profession has evolved and now includes preparing and advising on tax returns for individuals, partnerships, corporations, estates, trusts and any entity with tax-reporting requirements. They also provide affordable representation to individuals and small businesses with disputes before the Internal Revenue Service. At present, there are approximately 35,000 Enrolled Agents in the country providing practical and affordable tax service to taxpayers.

Enrolled Agents are highly qualified tax professionals. While certified public accountants and licensed attorneys also represent taxpayers before the Internal Revenue Service, only Enrolled Agents are required to demonstrate to the IRS their technical competence in the field of taxation. In order to maintain their status as Enrolled Agents, they must take 72 hours of continuing professional education, reported every three years to the IRS. Because Enrolled Agents focus on federal taxes and tax administration, they are able to keep on the forefront of current changes in the law and regulations.

The Enrolled Agent designation dates to the Enabling Act of 1884 and the profession is regulated by Treasury Circular 230. That regulation governs the practice of attorneys and certified public accountants before the Internal Revenue Service. This bill would restate the statutory provisions as Enrolled Agents and allow them the right to use their credentials as Enrolled Agents. In doing so, this bill does not add to the powers that Enrolled Agents currently maintain, nor would it affect the rules and regulations provided for in Treasury Circular 230.

Section 10.30 of Circular 230 authorizes Enrolled Agents to advertise and display their ability to practice before the IRS provided the designation is not misleading or deceptive to the public. Neither Congress nor the Treasury Department ever intended for states to interfere with the right of Enrolled Agents to inform taxpayers that they hold a license to practice before the Internal Revenue Service.

By Mr. BREAUX (for himself, Mr. THOMPSON, Mr. MILLER, Mr. CLELAND, Ms. LANDRIEU, Mr. SHELBY, Mr. Bunning, and Mr. FRIST):

S. 726. A bill to amend the Internal Revenue Code of 1986 to provide for the treatment of prepayments for natural gas; to the Committee on Finance.

Mr. BREAUX. Mr. President, I am introducing legislation today to address a problem that has prevented municipal gas systems from using their tax exempt borrowing authority to obtain an assured, long-term supply of competitively-priced natural gas. I am joined today by my colleagues, Senators THOMPSON, MILLER, CLELAND, LANDRIEU, SHELBY, BUNNING and FRIST.

There are approximately 1,000 publicly owned gas distribution systems in the United States, the vast majority of which are located in small towns and rural communities across my home state of Louisiana and across the country. In 1993, the Federal Energy Regulatory Commission, FERC, restructured the natural gas industry so that municipal gas systems could no longer purchase natural gas supplies on a reliable and regulated basis from interstate natural gas pipelines. This fundamental change in the marketplace meant that for the first time municipal gas systems had to enter into long-term, e.g., 10-year, supply contracts with gas suppliers to obtain a long-term, e.g., 10-year, supply of gas. Until August 1999, municipal gas systems had to acquire reliable gas supplies and transport on their own in a deregulated marketplace. In response, many formed joint action agencies—most of these agencies created as a result of the FERC restructure—to acquire and manage the delivery of gas.

In today’s turbulent natural gas markets, long-term prepaid supply arrangements are the most reliable means of obtaining an assured supply of natural gas. To fund prepaid supply contracts, a municipality or a joint action agency issues tax-exempt bonds. These contracts contain stiff penalties if the supplier fails to fulfill its contract—making this the most reliable supply that municipal gas agencies could purchase. The seller discounts the price for several reasons including the fact that a prepaid contract eliminates the normal credit risk associated with selling gas to non-rated governmental entities. Municipal gas systems are able to obtain these firm gas supplies at more competitive prices. Until August of 1999, joint action agencies entered into prepaid supply contracts with gas suppliers to obtain a long-term, e.g., 10-year, supply of gas. Until August 1999, however, the IRS determined that municipal gas systems had to acquire reliable gas supplies and transport on their own. This prevented municipal gas systems from using their tax-exempt borrowing authority to fund the purchase of long-term, prepaid supplies of natural gas for their citizens. In a statement on an unrelated matter, the IRS questioned whether the purchase of a commodity, such as natural gas, under a prepaid contract financed by tax-exempt bonds has a principal purpose of earning an investment return. In this scenario, the bonds would run afoul of the anti-avoidance rules of the Internal Revenue Code.

Confusion over the IRS’ statement and fear of impending regulations has
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led to the effective elimination of an extremely effective method of securing natural gas for local communities. The IRS has yet to issue any clarification or guidance on this issue.

Under current law, tax-exempt bonds may be used only to finance proceeds that are then used to acquire "investment-type property" having a higher yield than the bonds. Governmental bonds that violate this arbitrage restriction do not qualify for tax-exempt status. Treasury regulations provide that investment-type property includes certain prepayments for property or services "if a principal purpose for prepaying is to receive an investment return." But, "a prepayment does not give rise to investment-type property if . . . the prepayment is made for a substantial business purpose other than investment return and the issuer has no commercially reasonable alternative to the prepayment.

A nearly identical standard is used to determine whether a prepayment transaction is treated as a loan for purposes of the private loan-financing test. If a transaction is considered a private loan financing, the bonds are treated as private issues. Although municipal gas systems clearly have a "substantial business purpose" for entering into prepayment transactions and "no commercially reasonable alternative," the lack of clarification on this IRS language has hampered the most efficient tool available to public gas systems to secure long-term supplies of natural gas.

The bill does not overturn current law or stop investment regulations. It merely clarifies the law, both with respect to the arbitrage rules and the private loan financing rules, to allow an effective and reasonably-priced energy delivery system to continue unimpeded.

This is in the midst of an energy crisis. Natural gas distribution systems are scrambling to obtain an assured supply of natural gas, even while prices have skyrocketed in the last few months. The ability of small communities to use their tax-exempt borrowing authority to obtain a long-term, assured supply of competitively-priced natural gas is essential. By clarifying current law, we provide a low-cost natural gas option for millions of Americans across the country. 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. 726

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

SECTION 1. SHORT TITLE.

This Act may be called the "Municipal Utility Natural Gas Supply Act of 2001."

SEC. 2. ARBITRAGE RULES NOT TO APPLY TO PREPAYMENTS FOR NATURAL GAS.

(a) IN GENERAL.—Subsection (b) of section 148 of the Internal Revenue Code of 1986 (defining 'investment-type property') is amended by adding at the end the following new paragraph:

"(4) EXCEPTION FOR CERTAIN PREPAYMENTS TO ENSURE NATURAL GAS SUPPLY.—The term 'investment property' shall not include any prepayment for the purpose of obtaining a higher yield than the bonds, except to be used in a business of 1 or more utilities each of which is owned and operated by a State or local government, any political subdivision of a State, or governmental unit acting for or on behalf of such a utility.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the amendments made by section 1301 of the Tax Reform Act of 1986.

SEC. 3. PRIVATE LOAN FINANCING TEST NOT TO APPLY TO PREPAYMENTS FOR NATURAL GAS.

(a) IN GENERAL.—Subsection (c) of section 1301 of the Tax Reform Act of 1986 (relating to exception for tax assessment, etc., loans) is amended by striking "or" at the end of subparagraph (B) and inserting "or" and "thereof," and by adding at the end the following new subparagraph:

"(C) arises from a transaction described in section 148(b)(1).

(b) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the amendments made by section 1301 of the Tax Reform Act of 1986.

By Ms. COLLINS (for herself and Mr. FEINGOLD): S. 726

To provide grants for cardiopulmonary resuscitation (CPR) training in public schools; to the Committee on Health, Education, Labor, and Pensions.

Ms. COLLINS. Mr. President, I am pleased to be joining with my colleague from Wisconsin, Senator Russ Feingold, in introducing the Teaching Children to Save Lives Act which will help train a generation of potential lifesavers by providing funding for programs to teach children the basic lifesaving skill of cardiopulmonary resuscitation, or CPR.

Approximately 220,000 Americans die each year of sudden cardiac arrest. The American Heart Association estimates that about 50,000 of these lives could be saved each year if more people implemented what it calls the "Chain of Survival," which includes an immediate call to 911, early CPR and defibrillation, and early advanced life support. The Teaching Children to Save Lives Act, which we are introducing today, will help strengthen the second link in this chain by providing grants to schools to implement CPR training programs. Schools could use these new revenues to work in conjunction with community organizations such as local fire and police departments, hospitals, parent-teacher associations and others to provide CPR training. The legislation authorizes $30 million over three years for the Department of Health and Human Services to award grants to States to support these community partnerships and to help schools train teachers and purchase materials such as mannequins. Those schools that are fortunate enough to have CPR equipment can also apply to fund help train students in the use of automated external defibrillators, a life-saving device that shocks a heart back to its normal rhythm when it stops beating.

We have all heard stories about situations where a school age child or teenager has been the witness, perhaps the only witness, to a heart attack or other health emergency. What should adults be doing for that matter? Simply don’t know what to do in the face of such an emergency. Given the proper training, however, our young people are perfectly capable of responding to calmly and appropriately to a life-threatening situation.

For example, the Red Cross in Maine recently honored Sara Boyorak, a student at Bangor High School, for her quick response when her 22-month old nephew Blake, suddenly stopped breathing. Sara was riding in the car with Blake and her parents to a family get-together. It was a miserably hot day and Blake was suffering from a terrible ear infection. Sara was entertaining Blake in his car seat when she suddenly stopped breathing. She then noticed that his face was turning a bluish color. Evidently, the heat of the day combined with the fever from his ear infection had caused Blake to stop breathing.

Blake had taken CPR in a Red Cross class at her school so she was prepared and knew just what to do. She immediately leaped into action and initiated the "Chain of Survival." She directed her father to stop the car and her mother to call the police. She then placed Blake on the back seat of the car, and, when she had determined that he was not breathing and had no pulse, she started performing CPR, just as she had learned in her class. As a consequence of her quick action, Blake regained consciousness before the ambulance arrived, and will soon be celebrating his third birthday, thanks to his Aunt Sara.

The Teaching Children to Save Lives Act will enable more school children like Sara to learn the CPR skills they may need to save the life of a family member or loved one. Moreover, teaching CPR to our children and teens will not only improve their confidence in responding to emergencies, but it will also encourage them to update and maintain these skills into adulthood.

The Teaching Children to Save Lives Act is supported by coalition of groups including the American Heart Association and the Red Cross, the Education Association, and the School Nurses Association, and I urge all of my colleagues to join us in cosponsoring the legislation.

Mr. FEINGOLD. Mr. President, I rise today to join my friend and colleague from Maine to introduce the "Teaching Children to Save Lives Act." This legislation will help schools in their efforts to provide students with chain of survival training, including training in cardiopulmonary resuscitation, CPR, and the use of Automated External Defibrillators, AEDs. It is vital that we support local and community based efforts to equip younger generations
with the necessary skills to deal with life-threatening cardiac emergencies.

Over two hundred twenty thousand Americans die each year of sudden cardiac arrest. About 50,000 of these victims' lives could be saved each year if more people were aware of and participated in the ‘Chain of Survival,’ which includes an immediate call to 911, early CPR and defibrillation, and early advanced life support. The Teaching Children to Save Lives Act will help strengthen the second link in the chain by providing grants to schools to implement CPR training programs and help some schools train their students in AED use.

In Wisconsin, we’ve seen many examples where a school age child or teenager is the first witness to a heart attack. Unfortunately, most kids would not know what to do in the face of such an emergency. As a matter of fact, many adults wouldn’t know what to do either. In response to this break in the chain, a number of local organizations have pushed for increased CPR training and public access to defibrillation in schools.

In my home state of Wisconsin, a broad coalition including the Children’s Heart Project, the American Red Cross, the American Heart Association and the Children’s Hospital Foundation created Project Adam in memory of a student who tragically collapsed and passed away while playing a game. This educational effort has followed the lead of Project Adam, which fosters awareness of the potential for sudden cardiac arrest in the adolescent population and facilitates training of high school staff and students in CPR and in the use of AEDs.

The Teaching Children to Save Lives Act builds on these efforts by providing funding to teach the basics of the chain of survival and provide funding for AED training devices. This legislation also has the potential to expand the ability of Wisconsin and other States and communities to address their local needs. For example, schools could either begin their efforts to teach the Chain of Survival by starting a CPR training program or build on existing efforts by applying for grants to train students to use automatic external defibrillators. As a result of Project Adam, at least one life has been saved so far and three other children have survived episodes because of early defibrillation.

Many of our schools lack the resources they need for basic health educational programs. This legislation would follow the lead of local efforts such as Project Adam and demonstrate that the Federal government wants to be a partner in these lifesaving efforts. I want to especially thank my friend from Maine, Senator Collins, who has worked with me to improve the chain of survival across the United States. Without her leadership last year on our legislation to improve access to automatic external defibrillators in rural areas, we would not have been able to move forward with legislation that will improve cardiac survival rates across rural communities.

I hope my colleagues will join us in our continued efforts to improve cardiac arrest rates by working with us to pass this important legislation to provide communities the support they need to effectively teach CPR in the schools.

By Mr. KOHL. (for himself, Mr. DORGAN and Mr. CONRAD): S. 757. A Bill to establish a demonstration project to waive certain nurse aide training requirements for specially trained individuals who perform certain specific tasks in nursing facilities participating in the Medicare or Medicaid programs, and to conditionally authorize the use of resident assistants in such nursing facilities; to the Committee on Finance.

Mr. KOHL. Mr. President, I rise today to introduce the Medicare and Medicaid Nursing Services Quality Improvement Act. I am pleased to work with Senators DORGAN and CONRAD in this important effort to improve the quality of care in our nation’s nursing homes.

This legislation serves two purposes. First, as part of an 8-State demonstration project, it allows Wisconsin nursing homes to continue utilizing Resident Assistants, or “single task employees” as they are referred to in Wisconsin, to help provide care to residents. Second, it provides for a thorough evaluation of Resident Assistants to assess their impact on quality of care, as well as their impact on the recruitment, retention, and salaries of other nursing staff.

For the past seven years, many nursing facilities in Wisconsin have been utilizing single task employees to help provide care to residents. Single task employees have helped primarily with feeding and hydration services and have been essential to provide assistance during the busier mealtime hours. All single task employees must go through a training program. In many cases, those who perform these single tasks are already on staff serving in other non-nursing capacities.

Last year, the Health Care Financing Administration, HCFA, notified the State of Wisconsin that the use of single task employees in nursing homes was not permissible under Federal law. In particular, HCFA stated that only health insurance contractors who have undergone the required training to become a Certified Nurse Aide, CNA, may perform nursing-related tasks in Medicaid facilities. Therefore, faced with no other recourse, Wisconsin submitted a waiver application to HCFA to allow the use of single task employees by the end of 2001.

I am deeply concerned that the immediate removal of all single task employees could worsen staffing shortages that are already facing our nursing homes. A December, 2000 survey of 247 Wisconsin nursing homes found that nearly 32 percent were currently suspending or restricting admissions or had done so in the prior six months due to inadequate staffing.

I recognize that there are many factors that have contributed to staffing shortages in Wisconsin and across the country. I believe the Senate needs to look for long-term solutions to strengthen training and improve staffing in nursing homes, and I am committed to working in that effort. We must all work together to find ways to attract and retain the qualified personnel we need to become CNAs, and ensure they receive the support, training and compensation they deserve for their hard work and dedication.

In the meantime, this legislation provides a short-term solution to address the staffing shortages Wisconsin nursing homes face today. Under the bill, Wisconsin would be one of 8 demonstration States and could continue to use single task workers, referred to in the legislation as “Resident Assistants” to address the need for different skill sets. All Resident Assistants would be required to go through a training program approved by the State. They must be trained in feeding and hydration skills, recognizing and alerting licensed staff to the signs of malnutrition and dehydration, understanding the aging and disease processes of the elderly, responding to choking emergencies and alerting licensed staff to other emergencies, taking precautions to prevent the spread of disease, and the rights of residents. In addition, all Resident Assistants must be supervised at all times by a licensed health professional.

I also want to stress that this bill strictly prohibits nursing homes from replacing certified nursing staff with Resident Assistants, and Resident Assistants may not be counted toward any minimum staffing requirements that nursing homes are or could be required to meet. Let me be clear: Resident Assistants are not intended to serve as a substitute for the specialized care that nurse aides provide. They are intended to be utilized as supplemental help with feeding and hydration services for residents, to provide an extra pair of hands at busier mealtimes, and to provide some assistance to nurse aides who are stretched so thin that they can focus on other critical nursing tasks.

Most importantly, let me reiterate that this is a time-limited demonstration project. This legislation ensures that we collect reliable data on the use of Resident Assistants, which will be
analyzed by an advisory panel made up of nursing home representatives, Long-Term Ombudsmen, State and Federal officials, consumer groups, and labor representatives.

The advisory panel will look at a variety of studies to determine the impact of the project, including: the effect on quality of care compared to non-demonstration States, the effect on staffing levels and ratios in nursing homes, the effect on recruitment, retention and quality of nurses aides, and resident satisfaction with feeding and hydration services.

The advisory panel will evaluate this data and submit recommendations to the Secretary of the Department of Health and Human Services. The Secretary will then submit a final report to Congress on the demonstration. If the Secretary finds that the Demonstration project resulted in diminished quality of feeding and hydration services, required to undergo comprehensive training and be supervised by licensed health professionals, and be subject to the same requirement that they may only augment, not replace, nursing staff.

This legislation will only help stave off an even greater staffing problem in Wisconsin today. It will also give us the opportunity to take a closer look at Resident Assistants so we can determine the Secretary's decision as to whether they can help improve the quality of care in our nation's nursing homes. Our nursing homes in Wisconsin believe that Resident Assistants can be a valuable addition, and this bill will allow us to keep an open mind and look at all of the evidence in a thorough evaluation.

This legislation helps address the challenges we face today. At the same time, let me reiterate that I am committed to working with my colleagues to look for longer-term solutions to address staffing shortages in order to ensure quality nursing home care far into the future.

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:

SEC. 2. DEMONSTRATION PROJECT TO WAIVE CERTAIN NURSE AIDE TRAINING REQUIREMENTS FOR SPECIALLY TRAINED INDIVIDUALS WHO PERFORM CERTAIN COVERED TASKS IN MEDICARE AND MEDICAID NURSING FACILITIES.

(a) DEMONSTRATION PROJECT.—Not later than October 1, 2001, the Secretary shall conduct a demonstration project under which a resident assistant performs a covered task for a resident of a covered nursing facility in a demonstration State.

(b) REQUIREMENTS.—

(1) MINIMUM NURSE AIDE TRAINING REQUIREMENTS NOT AFFECTED.—A resident assistant performing a covered task under this section—

(A) may augment, but not replace, existing staff of a covered nursing facility; and

(B) shall not be counted toward meeting or complying with any requirements for nursing care staff and functions of such a facility, including any minimum nursing staffing requirement imposed under section 1819 or 1919 of the Social Security Act (42 U.S.C. 1395vv, 1395cc).

(2) EXCLUSION OF PARTICIPATION.—

(A) BASED ON REPLACEMENT OF CERTIFIED NURSE AIDE.—If the Secretary has reviewed all pertinent data that may reflect on a reduction of nursing staff in the facility, including changes in resident population mix, the Secretary may—

(i) exclude from participation in the demonstration project any covered nursing facility that a State survey agency recommends be excluded because of unsatisfactory treatment records or insufficient licensed staff to provide supervision of resident assistants; and

(ii) limit a facility under clause (i) unless the Secretary has reviewed all pertinent data that may reflect on a reduction of nursing staff in the facility, including changes in resident population mix.

(B) BASED ON POOR TREATMENT RECORDS OR INSUFFICIENT LICENSED STAFF.—The Secretary may exclude from participation in the demonstration project any covered nursing facility that a State survey agency recommends be excluded because of unsatisfactory treatment records or insufficient licensed staff to provide supervision of resident assistants.

(c) DATA COLLECTION.—

(1) DATA REGARDING INITIAL WORKFORCE.—

(A) IN GENERAL.—In conducting a covered nursing facility’s participation in the demonstration project, the facility shall submit to the appropriate State agency for the State participating in the demonstration project any covered nursing facility that a State agency is required to submit to such State agency data, at such time as the facility becomes a covered nursing facility under this Act, the number of resident assistants in the facility, including changes in resident population mix.

(B) BASED ON POOR TREATMENT RECORDS OR INSUFFICIENT LICENSED STAFF.—The Secretary may—

(i) limit participation in the demonstration project and, in particular, whether payment under such structures decreased as a result of the use of resident assistants; and

(ii) limit instances of resident assistants being promoted to certified nurse assistant positions.

(d) REPORTS TO CONGRESS.—

(1) ANNUAL REPORT.—Not later than December 1 of each of 2002 and 2003, the Secretary shall submit to Congress a report on the project, and include an analysis that meets the requirements in paragraph (3).

(2) FINAL REPORT.—Not later than December 1, 2004, the Secretary shall submit a report to Congress required under section 304(g)(3) that includes a recommendation of the advisory panel convened under paragraph (4).

(3) ANALYSIS REQUIREMENTS.—The analysis required under paragraph (2) shall include—

(A) an examination of the effect of resident assistants on the quality of resident care in facilities in demonstration States, and

(B) an examination of the effect of resident assistants on the quality of resident care in other States, by employing quality indicators determined by the Secretary, including with regard to nutrition and hydration, nutrition and hydration levels, unplanned weight loss or gain, and the number of citations for nutrition-related violations relating to such residents.

(e) AUTHORIZATION OF APPROPRIATIONS.—

(1) DUTIES.—Not later than November 1, 2001, the Secretary shall convene an advisory panel that shall—

(i) review and evaluate the data collected in accordance with subsection (c); and

(ii) submit recommendations for the use or improvement of resident assistants in covered nursing facilities.

(B) MEMBERSHIP.—The advisory panel convened under subparagraph (A) shall consist of representatives of the following:

(i) The Health Care Financing Administration of the Department of Health and Human Services.

(ii) National and local organizations representing for-profit and nonprofit covered nursing facilities.

(iii) Consumer groups.

(iv) State long-term care ombudsmen or other nursing facility resident advocates of the State.

(v) Labor organizations.

(vi) State survey and licensure agencies.

(vii) Licensed health care providers.

(viii) Dietitians.

(ix) Speech and occupational therapists.

(x) Any other entities or individuals that the Secretary deems appropriate.

(f) AUTORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

(1) DEFINITIONS.—In this section:

(A) DEMONSTRATION STATE.—The term "demonstration State" means—
A resident assistant shall not be counted toward meeting or complying with the requirements for the provision of resident assistant training programs and competency evaluations that the State establishes under this subsection (f)(9) and any requirements established under subsection (f)(8).

(iii) minimum hours of initial and ongoing training and retraining.

(iv) qualifications of instructors,

(v) procedures for determination of competency, and 

(vi) the importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration.

(vii) An overview of the aging and disease process as it relates to nutrition and hydration services.

(viii) How to respond to a choking emergency and alert licensed staff to other health emergencies.

(ix) Universal precautions for the prevention of the spread of communicable diseases.

(x) Residents rights.

(xii) Special rules for state demonstration participants.

In the case of a State that was a demonstration State (as that term is defined in subsection (f)(1) of section 1919(b)(2) of the Social Security Act), the Secretary may provide for the review and reapproval of resident assistant training programs and competency evaluations conducted by the State, including—

(i) requirements described in subparagraph (B), 

(ii) the methodology consistent with the requirements established under subsection (f)(8).''

(b) Specification of Training Program and Competency Evaluation Standards.—

(1) Requirement for standards.—Subsection (e) of such sections are each amended by adding at the end the following new paragraph:

(2) Specification of standards.—Subsection (f) of such sections are each amended by adding at the end the following new paragraph:

(3) Minimum frequency and methodology to be used by a State in reviewing compliance with the requirements for such evaluations.

(i) WITH RESPECT TO THE IMPLEMENTATION OF THE TRAINING PROGRAMS AND COMPETENCY EVALUATIONS AND FOR RESIDENT ASSISTANT COMPETENCY EVALUATIONS.

''(A) IN GENERAL.—For purposes of subparagraphs (b)(9) and (e)(6), the Secretary shall establish requirements for the approval of resident assistant training programs and competency evaluations administered by the facility, including—

''(i) requirements described in subparagraph (B),

''(ii) the methodology consistent with the requirements established under subsection (f)(8).''

(c) State demonstration project.—The term ‘‘State demonstration project’’ means the demonstration project conducted under this section (which, with respect to the training program, may be during the facility’s standard survey).

(d) Resident assistant requirements.—For purposes of subparagraph (A), the requirements specified in this subparagraph are the following:

(i) The individual has successfully completed an initial training program administered by the facility that meets the requirements of subparagraph (C) and subsequent competency evaluations, and have been approved by the Secretary of the appropriate State (which, with respect to the training program, may be during the facility’s standard survey).

(ii) The individual is performing a covered task under the on site supervision (as defined in paragraph (6)) of a licensed health professional (as defined in section 1819(b)(5)(G) of the Social Security Act (42 U.S.C. 1395i–3(b)(5)(G))).

(iii) The individual is performing a covered task to be performed by the individual; and

(iv) Feeding skills and assistance with eating.

(v) The importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration.

(vi) A summary of the aging and disease process, as it relates to nutrition and hydration services.

(vii) How to respond to a choking emergency and alert licensed staff to other health emergencies.

(viii) Universal precautions for the prevention of the spread of communicable diseases.

(ix) Residents rights.

(x) Special rules for state demonstration participants.

In the case of a State that was a demonstration State (as that term is defined in subsection (f)(1) of section 1919(b)(2) of the Social Security Act), the Secretary may provide for the review and reapproval of resident assistant training programs and competency evaluations conducted by the State, including—

(i) requirements described in subparagraph (B),

(ii) the methodology consistent with the requirements established under subsection (f)(8).''

''(B) REQUIREMENTS DESCRIBED.—For purposes of subparagraph (A), the requirements described in this subparagraph are the following:

''(i) Feeding skills and assistance with eating.

''(ii) The importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration.

''(iii) An overview of the aging and disease process, as it relates to nutrition and hydration services.

''(iv) How to respond to a choking emergency and alert licensed staff to other health emergencies.

''(v) Universal precautions for the prevention of the spread of communicable diseases.

''(vi) Residents rights.

''(vii) Special rules for state demonstration participants.

In the case of a State that was a demonstration State (as that term is defined in subsection (f)(1) of section 1919(b)(2) of the Social Security Act), the Secretary may provide for the review and reapproval of resident assistant training programs and competency evaluations conducted by the facility, including—

''(i) requirements described in subparagraph (B),

''(ii) the methodology consistent with the requirements established under subsection (f)(8).''

''(B) REQUIREMENTS DESCRIBED.—For purposes of subparagraph (A), the requirements described in this subparagraph are the following:

''(i) Feeding skills and assistance with eating.

''(ii) The importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration.

''(iii) An overview of the aging and disease process, as it relates to nutrition and hydration services.

''(iv) How to respond to a choking emergency and alert licensed staff to other health emergencies.

''(v) Universal precautions for the prevention of the spread of communicable diseases.

''(vi) Residents rights.

''(vii) Special rules for state demonstration participants.

In the case of a State that was a demonstration State (as that term is defined in subsection (f)(1) of section 1919(b)(2) of the Social Security Act), the Secretary may provide for the review and reapproval of resident assistant training programs and competency evaluations conducted by the facility, including—

''(i) requirements described in subparagraph (B),

''(ii) the methodology consistent with the requirements established under subsection (f)(8).''

''(B) REQUIREMENTS DESCRIBED.—For purposes of subparagraph (A), the requirements described in this subparagraph are the following:

''(i) Feeding skills and assistance with eating.

''(ii) The importance of good nutrition and hydration, including familiarity with signs of malnutrition and dehydration.

''(iii) An overview of the aging and disease process, as it relates to nutrition and hydration services.

''(iv) How to respond to a choking emergency and alert licensed staff to other health emergencies.

''(v) Universal precautions for the prevention of the spread of communicable diseases.

''(vi) Residents rights.

''(vii) Special rules for state demonstration participants.

In the case of a State that was a demonstration State (as that term is defined in subsection (f)(1) of section 1919(b)(2) of the Social Security Act), the Secretary may provide for the review and reapproval of resident assistant training programs and competency evaluations conducted by the facility, including—

''(i) requirements described in subparagraph (B),

''(ii) the methodology consistent with the requirements established under subsection (f)(8).''
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(c) CONTINGENT EFFECTIVE DATE.—(1) The amendments made by this section shall become effective (if at all) in accordance with paragraph (2).

(2) Not later than December 1, 2004, the Secretary of Health and Human Services (in this paragraph referred to as the “Secretary”) shall submit to Congress a report on the reengineering of demonstration projects established under section 2 that analyzes the effect on resident care in authorizing the use of such resident assistants to furnish such services diminishes the quality of feeding and hydration services furnished to residents of those facilities; or (ii) any decreased recruitment and retention of nursing staff of those facilities and reduced salaries for such nursing staff is directly attributable to the use of such resident assistants to furnish such services.

By Mr. DeWINE:
S. 733. A bill to eliminate the duplicative intent requirement for carjacking; to the Committee on the Judiciary.

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. 733

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

SECTION 1. CARJACKING OFFENSES.

Section 219 of title 18, United States Code, is amended by striking “; with the intent to cause death or serious bodily harm”.

By Mr. BOND (for himself and Mr. KERRY):
S. 734. A bill to amend the Foreign Service Buildings Act, 1926, to expand eligibility for the award of construction contracts under that Act to persons that have performed similar construction work at United States diplomatic or consular establishments abroad under contracts limited to $5,000,000; to the Committee on Foreign Relations.

Mr. BOND. Mr. President, today I am introducing a bill to improve access for certain small businesses in competing for overseas construction contracts for the Department of State. Small businesses that have been able to participate in smaller construction projects overseas, through one of the small business programs, would be able to compete for larger construction contracts.

The effect of these changes is to enhance competition for these contracts. Moreover competition usually means reduced costs to the taxpayer. Finally, these changes allow us to recoup the benefits from the Government programs directed at small business. We ensure that, after helping businesses grow and develop in our small business programs, they are then able to compete in the open market for Government construction contracts.

This is the goal of these small business programs, but unfortunately a technical glitch currently prevents this goal from being realized in overseas State Department construction contracts. This bill would correct that.

Specifically, these provisions would make a minor change to both the Foreign Service Buildings Act, 1926, and the Omnibus Diplomatic Security and Antiterrorism Act of 1986, both of which impose related restrictions on the firms that may do construction of overseas State Department facilities. Most of the restrictions are security-related and have to do with ensuring the firms are American in their ownership, control, and workforce. Some other provisions seek to ensure they have the technical capacity actually to perform the work.

One provision directed at the “technical capacity” issue says the firms must have performed work, comparable to the work specified in the United States. The legislative history makes clear that this particular restriction is in the law solely as an issue of past performance, not as a security matter. Since these measures passed, a small number of firms participating in small business programs have done work exclusively overseas, including work on State Department diplomatic and consular establishments. They therefore have a demonstrated past performance ability to do the work, but the two laws above currently exclude them from doing so in State Department contracts over $5 million. (They were previously able to participate because the sole source contracts under a couple of small business programs are limited to $3 million, so the restrictions in these two laws did not come into play.)

The bottom line here is that we have small business programs intended to give firms the opportunity to show what they can do and to help expand the Government’s vendor base. However, once these firms move beyond the small business program or seek to compete for larger contracts, we have these laws which have demonstrated the ability to do overseas construction, simply because they have not done work domestically. This is a waste of the Government’s investment in their business development. This bill would allow overseas work done specifically at State Department installations to count in showing their capacity to perform subsequent contracts.

This is a relatively simple change that will increase opportunity and help the State Department maintain a strong contractor base to do this important construction work. It should be noncontroversial, and I look forward to working with the Chairman and Ranking Member of the Foreign Relations Committee to make these changes happen.

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. 734

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

SECTION 1. EXPANSION OF ELIGIBILITY FOR AWARD OF CERTAIN CONSTRUCTION CONTRACTS.

(a) In General.—Section 1(b)(4)(A) of the Foreign Service Buildings Act, 1926 (22 U.S.C. 302(b)(4)(A)) is amended by inserting “or at a United States diplomatic or consular establishment abroad” after “United States”.

(b) Conforming Amendment.—Section 402(c)(2)(D) of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4822(c)(2)(D)) is amended by inserting “or at a United States diplomatic or consular establishment abroad” after “United States”.

By Mr. DeWINE:
S. 735. A bill to amend title 18 of the United States Code to add a general provision for criminal attempt; to the Committee on the Judiciary.

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. 735

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 “General Attempt Provision Act”.

SEC. 2. ESTABLISHMENT OF GENERAL ATTEMPT OFFENSE.

Chapter 19 of title 18, United States Code, is amended—
(1) in the chapter heading, by striking “Conspiracy” and inserting “Inchoate offenses”;
(2) by adding at the end the following:

“§ 374. Attempt to commit offense.
(a) In General.—Whoever, acting with the state of mind otherwise required for the commission of an offense described in this title, intentionally engages in conduct that, in fact, constitutes a substantial step toward the commission of the offense, is guilty of an attempt and is subject to the same penalties as those prescribed for the offense, the commission of which was the object of the attempt, except that the penalty of death shall not be imposed.

(b) Inability to Commit Offense; Completion of Offense.—It is not a defense to a prosecution under this section—
(1) that it was factually impossible for the actor to commit the offense, if the offense could have been committed had the circumstances been as the actor believed them to be; or
(2) that the offense attempted was completed.

(c) Exceptions.—This section does not apply—
(1) to an offense consisting of conspiracy, attempt, conspiracy to commit an offense described in this title; and
(2) to an offense consisting of an omission, refusal, failure of refraining to act;
“(3) to an offense involving negligent conduct; or
“(4) to an offense described in section 1118, 1120, 1121, or 1153 of this title.
“(d) AFFIRMATIVE DEFENSE.—
“(1) by striking the second undesignated paragraph; and
“(2) by adding at the end the following:
“(3) to an offense involving negligent conduct; or
“(4) to an offense described in section 1118, 1120, 1121, or 1153 of this title.

SEC. 2. RATIONALIZATION OF CONSPIRACY PENALTY AND CREATION OF REM NUNCIATION DEFENSE.

Section 371 of title 18, United States Code, is amended—

(a) DESIGNATION.—The facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, as the “Joseph E. Dini, Jr. Post Office.”

(b) REFERENCE.-—Any reference in a law, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Joseph E. Dini, Jr. Post Office.

(2) IN GENERAL.—If 2 or more persons conspire to commit an offense against the United States, and 1 or more of such persons do any act to affect the object of the conspiracy, each shall be subject to the same penalties as prescribed for the most serious offense, the commission of which was the object of the conspiracy, except that the penalty of death shall not be imposed.

By Mr. REID (for himself and Mr. ENSIGN):

S. 737. A bill to designate the facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, as the “Joseph E. Dini, Jr. Post Office”; to the Committee on Governmental Affairs.

Mr. REID. Mr. President, I rise today along with my colleague from Nevada, Senator ENSIGN, as well as the Nevada delegation in the House of Representatives, to introduce legislation designating the United States Post Office facility located at 811 Main Street in Yerington, Nevada, as the “Joseph E. Dini, Jr. Post Office.”

When the Nevada State Legislature opened its 71st session earlier this year, something was very different. For the first time in more than sixteen years, Joe Dini was not the Speaker of the Assembly. For an unparalleled eight terms, Joe Dini was elected Speaker by his peers in the Nevada State Assembly. Now the Speaker Emeritus, Joe Dini is in his eighteenth term representing his beloved hometown of Yerington, NV, and is the longest-serving Member in the history of the Nevada State Assembly.

Joe Dini was born and raised in the small town of Yerington, NV. Many of my colleagues in the Senate have heard me talk about my hometown of Searchlight at the southern tip of the State of Nevada. As much as I love Searchlight, Joe Dini adores his beloved hometown of Yerington. A native Nevada, Joe attended the University of Nevada in Reno and was elected to the Nevada State Assembly in 1966. As a freshman elected to the Assembly in 1969, I had the pleasure to work with Joe Dini, and I looked to him as a mentor and a friend. In 1973, he became Speaker pro tempore of the Chamber, and in 1975 he was elected majority leader. During his tenure, Joe became the leading authority in the legislature on western water issues, a subject that is vitally important to our state, especially in the many rural communities throughout Nevada.

Joe is also an active participant with many community service organizations in Yerington and throughout Nevada. He is a member of the Yerington Rotary Club and the Yerington Volunteer Fire Department, and has been recognized by a variety of groups such as the Nevada State Firefighters Association, the Nevada Wildlife Federation, the Nevada State Education Association and the Nevada Judges Association. The Kiwanis Club in Yerington has also recognized Joe Dini as its Man of the Year.

It is a pleasure and honor to join my colleagues from Nevada in introducing this bill naming the post office on Main Street in the hometown of Yerington, Nevada, after Joseph E. Dini, Jr. By recognizing his dedication to a career in public service, we are also thanking Joe for a life-long commitment to the people and the State of Nevada.

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

SECTION 1. JOSEPH E. DINI, JR. POST OFFICE.

(a) DESIGNATION.—The facility of the United States Postal Service located at 811 South Main Street in Yerington, Nevada, shall be known and designated as the “Joseph E. Dini, Jr. Post Office”.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the facility referred to in subsection (a) shall be deemed to be a reference to the Joseph E. Dini, Jr. Post Office.

Mr. ENSIGN. Mr. President, I rise today to offer the Armed Forces Voting Rights Act of 2001. There is a problem with federal law that allowed members of the armed forces to be disenfranchised in Florida in the most recent presidential election. My bill would stop the discrimination.

Over time, federal law has recognized more and more rights for our military personnel that serve overseas. Several federal laws have been enacted since 1942 to enable those in the military and U.S. citizens who live abroad to vote in federal elections. The Soldier Voting Act of 1942 was the first attempt to guarantee federal voting rights for members of the armed forces and that law only applied during wartime. Members of the armed forces were provided the option of a postage free, federal post card application to request an absentee ballot. This law expired once World War II ended and the law never actually was in effect.

In 1955, Congress passed the Federal Voting Assistance Act. Specifically, the act recommended, but did not guarantee, absentee registration and voting for members of the military, federal employees who lived outside the U.S. and members of civilian service organization affiliated with the armed forces.

The Federal Voting Assistance Act was amended in 1968 to include a more general provision for U.S. citizens temporarily residing outside the U.S. Seven years later,
the Overseas Citizens Voting Rights Act of 1975 guaranteed absentee registration and voting rights for citizens outside the U.S., whether or not they maintained a U.S. residence.

In 1986, President Reagan signed the Uniformed and Overseas Citizens Voting Act which required States to permit absent uniformed services voters, their spouses and dependents, and overseas voters who no longer maintain a residence in the U.S. to register absentee and vote by absentee ballot in all elections. The provision was initially—1,500 ballots were challenged—that is disturbing.

Brave members of our armed forces spoke out in favor of having their vote counted. In Tallahassee, FL, in November of 2000, Robert Ingram, who was stationed overseas, spoke out in favor of having their vote counted.

Morale is traditionally low for our servicemen and women stationed overseas during the Christmas season. Gary Littrell a Medal of Honor winner said, "Can you imagine how low their moral is, traditionally?" 40 percent of the 3,500 overseas ballots in Florida were disqualified for two reasons—the requirement that ballots must be postmarked by election day and failure to either have a proper signature or due date on the actual ballot. These issues are currently addressed in the federal law. Federal law leaves such details to the state, such as postmark requirements and authentication of ballots.

I have a bill to amend the Voting Rights Act of 1965 to include members of the armed forces who were targeted as a result of their propensity to vote for Republicans.

My bill establishes voting rights for members of the armed forces to insure that every military vote is counted. My bill makes it a violation of the Voting Rights Act of 1965 for any person "to disqualify, refuse to count, or otherwise negate the absentee or overseas vote of a member of the Armed Forces of the United States." A person could not disqualify a ballot because of "circumstances beyond the control of the serviceman," this definition includes a post mark that may not be present on a military person's ballot. The military frequently mail without postage to necessitate a post mark on military mail, therefore there is no evidence on the face of an envelope to prove when a letter, or ballot in this case, is mailed.

My bill further forbids the disqualification of any ballot without "clear and convincing evidence of fraud in the preparation or casting of the ballot by the voter" deadlines for returning ballots vary by state. If you violate or conspire to violate the Armed Forces Voting Rights Act of 2001, then you are treated similarly to individuals who violate the Voting Rights Act of 1965—you are subject to fines and other criminal penalties. My bill also empowers the Attorney General to make rules consistent with this legislation.

I ask that voting rights be restored to our military voters—it is the least that we can do for those who put their lives on the line so we may live free, to allow our military men and women to have every vote counted.

By Mr. WELLSTONE (for himself, Mrs. MURRAY, Mr. DAYTON, Mr. STABENOW, Mr. DORGAN, Mr. KENNEDY, Mr. DURBIN, Mr. LANDRIEU, Mr. DASCHLE, Mr. REID, and Mr. JOHNSEN):

S. 739. A bill to amend title 38, United States Code, to improve programs for homeless veterans, and for other purposes; to the Committee on Veterans' Affairs:

Mr. WELLSTONE. Mr. President, I rise today to introduce the "Heather French Henry Homeless Veterans Assistance Act." It is a companion bill to H.R. 936, introduced in the House of Representatives by Representative EVANS. I am pleased to have the support of the following original cosponsors: Senators MURRAY, DAYTON, STABENOW, DORGAN, KENNEDY, DASCHLE, REID, and JOHNSON.

The legislation is named to recognize and honor the outstanding contributions of Heather French Henry, Miss America 2000. She has helped lead the struggle to end homelessness affecting more than 300,000 of our nation's veterans. For more than a year, she has given her time, talents and energy to call on Americans to do more to free those who have served our country from homelessness. She has traveled from coast-to-coast with the message that we as a nation are duty-bound to assist homeless veterans again to become productive and contributing members of society.

I recently met Ms. French Henry. I appreciate her work, as well as her support for this bill. She has called it, "a comprehensive package of proposals that will lead to ending homelessness among our nation's veterans so that they can once again be proud citizens." The bill establishes a national goal of ending homelessness among veterans within a decade. We can and must meet this goal, but achieving it will not be easy. According to the "Independent Budget" for Fiscal Year 2002, more than 275,000 veterans are homeless on any given night. The Independent Budget is a highly regarded analysis issued by four respected veterans organizations, AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars. The Independent Budget also found that, "one out of three homeless males...sleeping in a doorway, alley...in our nation's communities has put on a uniform and served our nation." Finally, it stressed that two-thirds of homeless veterans served our nation for at least three years. The vast majority of homeless veterans fully honored their oath to defend and protect the United States. Unfortunately, we haven't fully honored our obligation to rescue them from the degradation and privations of life on the streets.

The causes of homelessness are complex. But the primary reason so many veterans are homeless is simple. We have not done enough. Since 1987, the VA has run some worthwhile and effective programs for homeless veterans, but they are too few, and they are too poorly coordinated. According to the Independent Budget, federal funding for homeless veterans serves just one in 10 of those in need.

The VA has reported that there were about 345,000 homeless veterans during 1999. That is 34 percent higher than in
1998, a national scandal during a time of prosperity. If we fail to pass this bill, imagine how many more homeless veterans will be sleeping in doorways, in boxes and on grates in the cold? Who will care for these veterans if we have a prolonged economic downturn? Three ideas should be kept in mind regarding the bill. First, it does not give homeless veterans a handout. It gives them a hand-up, a hand-up they need to help restore dignity and self-worth. Second, ending veteran homelessness is foremost a moral issue. What kind of nation can fail to use the full arsenal of programs and tools available to end pain and suffering among men and women who have served so much and so well? Finally, homelessness among veterans is often tied to those veterans' military service. It is frequently no less service-connected than the loss of limb in battle. Post-Traumatic Stress Disorder, PTSD, can afflict any combat veteran. It not only cause several mental health problems, but is also linked to job loss, family breakdown, substance abuse and, of course, homelessness.

The VA can't solve the problem of homelessness among veterans by itself. That is why the bill creates a coordinated and cooperative effort among the VA and other federal, state and local agencies, as well as by community-based organizations. The legislation includes both proven programs and new innovations. It expands programs that have superior track records in assisting homeless veterans. It will increase to $50 million the annual authorization for the Department of Labor's Homeless Veterans Reintegration Project (HVRP). HVRP funds state or local governments, as well as nonprofit organizations, which run highly effective job training and placement programs. It is an exceptional program that has gone under-funded. In FY 1999, HVRP placed almost 2,000 homeless veterans in jobs, with an average cost per placement of only about $3,300.

Mental health professionals agree that placement in the community can work, but only with careful monitoring and support of vulnerable populations. The bill therefore also creates incentives for VA to make such services, Mental Health Community Management programs, more widely available. Supportive housing is an essential component of a homeless veteran's recovery from substance abuse. "Safe havens" provide an environment that facilitates the transition from homelessness. Under the bill, many more veterans could receive intensive medical and psychological treatment, as well as rehabilitation, in such residential settings. More VA Comprehensive Homeless Centers must be made available in the country's major metropolitan areas. These unique centers provide a continuum of care that includes outreach, medical care, compensated work therapy, job counseling and other social services. Homeless veterans not only can gain access to VA services, but also to services provided by other federal agencies, state and local government entities, and community-based organizations. The centers provide badly needed "one-stop shopping" for services to homeless veterans.

The legislation will increase availability of residential treatment facilities by requiring the VA to develop new domiciliary programs in the 10 largest metropolitan areas of the United States. At the same time, it will remove the cap on VA Comprehensive Homeless Centers. Today there are only eight, and the bill will require that centers be available in no fewer than 20 metropolitan areas. Veterans in Washington, D.C., for example, currently have neither a VA domiciliary nor a Comprehensive Homeless Center. Both such facilities are needed here in the Nation's Capital.

Community-based organizations play a pivotal role in addressing veterans' homelessness. The bill authorizes additional funding for their work through the VA's Homeless Grant and Per Diem Providers program. That program provides critical support to community-based providers who deliver transitional services to homeless veterans through grants that supplement local, state and private funding.

The bill also requires that the VA provide mental health services wherever it can. Approximately 45 percent of homeless veterans suffer from mental illness. More than 70 percent suffer from alcohol or other substance abuse problems. It is vital that VA expand access to mental health services.

Finally, the bill seeks to help some of the most vulnerable homeless veterans and those most at risk of homelessness. Under the bill, VA and community-based providers will be eligible for a new program that addresses the special needs of homeless veterans who are women, substance abusers, 50 years of age or older, persons with PTSD, terminally ill, chronically mentally ill or who have dependents. It will require VA to coordinate a multi-agency outreach plan and a program for veterans at risk of homelessness, particularly veterans being discharged from institutions. This includes people discharged from inpatient psychiatric care, substance abuse treatment programs and penal institutions.

It is a familiar principle among veterans of our armed forces not to "leave our wounded behind." Yet, homeless veterans are in a sense our wounded, and we are leaving them behind. It is past time to end this neglect.

The bill is supported by the country's veterans organizations. It is endorsed by the National Coalition for Homeless Veterans and its hundreds of affiliated organizations throughout the country who daily furnish essential services to homeless veterans. I ask consent that letters of support from the Paralyzed Veterans of America, the Veterans of Foreign Wars, the Disabled American Veterans, and the National Coalition for Homeless Veterans be printed in the RECORD.

The President, I also 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. 739

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Heather French Henry Homeless Veterans Assistance Act".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

 Sec. 1. Short title; table of contents.
 Sec. 2. Findings; definitions.
 Sec. 3. National goal to end homelessness among veterans.
 Sec. 4. Advisory Committee on Homeless Veterans.
 Sec. 5. Annual meeting requirement for Interagency Council on the Homeless.
 Sec. 6. Evaluation of homeless programs.
 Sec. 7. Changes in veterans equitable resource allocation.
 Sec. 8. Per diem payments for furnishing services to homeless veterans.
 Sec. 9. Grant program for homeless veterans with special needs.
 Sec. 10. Coordination of outreach services for veterans at risk of homelessness.
 Sec. 11. Treatment trials in integrated mental health services delivery.
 Sec. 12. Dental care.
 Sec. 13. Programmatic expansions.
 Sec. 15. Life safety code for grant and per diem providers.
 Sec. 16. Transitional assistance grants pilot program.
 Sec. 17. Assistance for grant applications.
 Sec. 18. Home loan program for manufactured housing.
 Sec. 19. Extension of homeless veterans reintegration program.
 Sec. 20. Use of real property.

SEC. 2. FINDINGS; DEFINITIONS.

(a) FINDINGS.—Congress makes the following findings:

(1) On the field of battle, the members of the Armed Forces who defend the Nation are honor-bound to leave no one behind and, likewise, the Nation is honor-bound to leave no veteran behind.

(2) The Department of Veterans Affairs report known as the Community Homeless Assessment, Local Education, and Networking Groups for Veterans (CHALENG) assessment, issued in May 2000, reports that during 1999 there were an estimated 344,983 homeless veterans, an increase of 34 percent above the 1998 estimate of 256,672 homeless veterans.

(3) Male veterans are more likely to be homeless than their nonveteran peers. Although veterans constitute only 13 percent of the general male population, 23 percent of the homeless male population are veterans.

(4) Homelessness among veterans is persistent despite unprecedented economic growth and job creation and general prosperity.

(5) While there are many effective programs that assist homeless veterans, many again become productive and self-sufficient members of society, current resources provided to such programs and other activities that assist homeless veterans do not adequately provide all needed essential services, assistance, and support to homeless veterans.
SEC. 3. NATIONAL GOAL TO END HOMELESSNESS AMONG VETERANS.

(a) NATIONAL GOAL.—Congress hereby declares that it is a national goal to end homelessness among veterans within a decade.

(b) COOPERATIVE EFFORTS ENCOURAGED.—Congress encourages all departments and agencies of Federal, State, and local governments, quasi-governmental organizations, private and public sector entities, including community-based organizations, and individuals to work cooperatively to end homelessness among veterans within a decade.

SEC. 4. ADVISORY COMMITTEE ON HOMELESS VETERANS.

(a) In General.—Chapter 5 of title 38, United States Code, is amended by adding at the end the following new section:

"§ 546. Advisory Committee on Homeless Veterans

"(a)(1) There is established in the Department of Veterans Affairs an Advisory Committee on Homeless Veterans (hereinafter in this section referred to as the ‘Committee’).

(2) The Committee shall consist of not more than 15 members appointed by the Secretary from among the following:

(A) Veterans service organizations.

(B) Advocates for homeless veterans and other homeless individuals.

(C) Community-based providers of services to homeless individuals.

(D) Federally funded homeless veterans.

(E) State veterans affairs officials.

(F) Experts in the treatment of individuals with mental illness.

(G) Experts in the treatment of substance use disorders.

(H) Experts in the development of permanent housing alternatives for lower income populations.

(I) Experts in vocational rehabilitation.

(J) Such other organizations or groups as the Secretary considers appropriate.

(3) The Committee shall include, as ex officio members—

(A) the Secretary of Labor (or a representative of the Secretary selected after consultation with the Assistant Secretary of Labor for Veterans’ Employment and Training);

(B) the Secretary of Defense (or a representative of the Secretary);

(C) the Secretary of Health and Human Services (or a representative of the Secretary);

(D) the Secretary of Housing and Urban Development (or a representative of the Secretary).

(4) The Secretary shall determine the terms of service and pay and allowances of the members of the Committee, except that a term of service may not exceed three years. The Secretary may reappoint any member for additional terms of service.

(b) Duties.—For purposes of this Act:

(1) The term ‘homeless veteran’ means a veteran who—

(i) lacks a fixed, regular, and adequate nighttime residence; or

(ii) has a primary nighttime residence that is—

(A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, grant per diem shelters and transitional housing for the mentally ill); or

(B) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(2) The term ‘grant per diem provider’ means an entity in receipt of a grant under section 3 or 4 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note).

SEC. 5. MEETINGS OF INTERAGENCY COUNCIL ON THE HOMELESS.

Section 4(b) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11312(c)) is amended to read as follows:

"(c) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members, but not less often than annually.

SEC. 6. EVALUATION OF HOMELESS PROGRAMS.

(a) EVALUATION CENTERS.—The Secretary of Veterans Affairs shall establish evaluation centers—

(1) to evaluate the effectiveness of programs of the Department of Veterans Affairs and other Federal agencies and programs of State and local agencies addressing homeless populations;

(2) to identify barriers under existing laws and policies to effective coordination of the Department with other Federal agencies and programs of State and local agencies addressing homeless populations; and

(3) to identify opportunities for enhanced liaison by the Department with other Federal and State and local agencies and community-based organizations addressing homeless populations;
Secretary shall include in each such report the following:
(1) Information about expenditures, costs, and workload under the Department of Veterans Affairs for the VA Homeless Veteran Solid Source Registry as the Health Care for Homeless Veterans program (HCHV).
(2) Information about the veterans contacted under the program.
(3) Information about processes under that program.
(4) Information about program treatment outcomes under that program.
(5) Information about supported housing programs.
(6) Information about the Department’s grant and per diem provider program.
(7) Other information the Secretary considers relevant in assessing the program.

SEC. 7. CHANGES IN VETERANS EQUITABLE RESOURCES ALLOCATION METHODOLOGY.

(a) ALLOCATION CATEGORIES.—The Secretary of Veterans Affairs shall assign veterans receiving the following services to the resource allocation category designated as “complex care” within the Veterans Equitable Resource Allocation system:
(1) Care provided to veterans enrolled in the Department of Veterans Affairs program for Mental Health Intensive Community Case Management.
(2) Continuous care in homeless chronically mentally ill veterans programs.
(3) Continuous care within specialized programs provided to veterans who have been diagnosed with both serious chronic mental illness and substance use disorders.
(4) Continuous therapy combined with sheltered housing provided to veterans in specialized treatment for substance use disorders.
(5) Specialized therapies provided to veterans with post-traumatic stress disorder (PTSD), including therapies provided by or through peer programs.

SEC. 8. PER DIEM PAYMENTS FOR FURNISHING SERVICES TO HOMELESS VETERANS.

(a) INCREASE IN RATE OF PER DIEM PAYMENTS.—Section 4(a) of the Homeless Veterans Comprehensive Service Programs Act of 1996 (20 U.S.C. 10015a(n) note) is amended by striking “at such rates” and all that follows through “homeless veteran”— and inserting the following:

“at the same rates as the rates provided for State homes for domiciliary care provided under section 1741 of title 38, United States Code, for services furnished through non-profit organizations.”

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the first day of the first fiscal year beginning after the date of the enactment of this Act.

SEC. 9. GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.

(a) ESTABLISHMENT.—The Secretary of Veterans Affairs shall carry out a program to make grants to health care facilities of the Department of Veterans Affairs and to grant and per diem programs that provide medical care to veterans who have not traditionally used Department of Veterans Affairs services for comparison purposes on veterans with similar diagnoses and characteristics who are not included in the trial, but who come for comparison purposes on veterans with similar diagnoses and characteristics who are not included in the trial, but who

(b) GRANT PROGRAM.—The Secretary of Veterans Affairs shall carry out the program established under paragraph (a) of this section to make grants to health care facilities of the Department of Veterans Affairs, and to grant and per diem programs that provide medical care to veterans who have not traditionally used Department of Veterans Affairs services for comparison purposes on veterans with similar diagnoses and characteristics who are not included in the trial, but who

(c) PROGRAMS.—For purposes of this section, homeless veterans with special needs include homeless veterans who:
(1) are women;
(2) are 50 years of age or older;
(3) are substance users;
(4) are persons with post-traumatic stress disorder;
(5) are terminally ill;
(6) are chronically mentally ill; or
(7) have care of minor dependents or other family members.

(c) STUDY OF OUTCOME EFFECTIVENESS.—The Secretary shall conduct a study of the effectiveness of the grant program in meeting the needs of homeless veterans. As part of the study, the Secretary shall compare the outcomes obtained in veterans receiving services provided in this grant program under this section in terms of veterans’ satisfaction, health status, reduction in addiction severity, housing, and encouraging reengagement with the system with results for similar veterans in programs of the Department or of grant and per diem providers that are designed to meet the general needs of homeless veterans.

(d) FUNDING.—From amounts appropriated to the Department of Veterans Affairs for “Medical Care,” for fiscal years 2003, 2004, and 2005, $5,000,000 shall be available for purposes of the program under this section. Grants under this section to a health care facility of the Department or a grant and per diem provider shall be treated in the manner provided in section 7(b).

SEC. 10. COORDINATION OF OUTREACH SERVICES FOR VETERANS AT RISK OF HOMELESSNESS.

(a) OUTREACH PLAN.—The Secretary of Veterans Affairs, acting through the Under Secretary for Benefits, shall provide for appropriate officials of the Mental Health Service and the Readjustment Counseling Service of the Veterans Health Administration to initiate and carry out an outreach to and coordination of efforts to prevent veterans at risk of homelessness, including particularly veterans who are being discharged from institutions (including discharges from inpatient psychiatric care, substance abuse treatment programs, and penal institutions).

(b) MATTERS TO BE INCLUDED.—The plan under subsection (a) shall include the following:
(1) Strategies to identify and collaborate with external entities used by veterans who have not traditionally used Department of Veterans Affairs services to further outreach efforts.
(2) Strategies to ensure that mentoring programs, recovery support groups, and other appropriate support networks are optimally available to veterans.
(3) Appropriate referrals or referrals to family support programs.
(4) Means to increase access to case management services.
(5) Plans for making additional employment services accessible to veterans.
(6) Appropriate referral sources for mental health and substance abuse services.

(c) COORDINATION.—The plan under subsection (a) shall identify strategies for the Department to enter into formal co-operative relationships with entities outside the Department of Veterans Affairs to facilitate making services and resources optimally available to veterans.

SEC. 11. TREATMENT TRIALS IN INTEGRATED MENTAL HEALTH SERVICES DELIVERY.

(a) ESTABLISHMENT.—The Secretary of Veterans Affairs shall carry out two treatment trials in integrated mental health services delivery. Each such trial shall be carried out at a Department of Veterans Affairs medical center selected by the Secretary for such purpose. The trials shall each be carried out over the same one-year period.

(b) STUDY OF EFFECTIVENESS.—In reviewing applications from Department medical centers for selection as a site for a treatment trial under this section, the Secretary shall consider factors that include the following:
(1) Standardized criteria for admission and enrollment of participants.
(2) Focus on prevention and symptom reduction.
(3) Development of a comprehensive, integrated treatment plan.
(4) Patient assignment to a team or teams.
(5) Management of polypharmacy.
(6) Use of evidence-based treatment protocols.
(7) Case management between visits.
(8) Referral and coordination of appropriate Department or community-based services, including housing assistance.
(9) Ability to maintain and provide outcomes for comparison purposes on veterans with similar diagnoses and characteristics who are not included in the program they are receiving traditional consultative services in the same facility. 
(d) Treatment Models To Be Tested.—The two treatment trials shall each use one of the following models: (1) Mental health primary care teams. (2) Assignment to a mental health primary care team that is linked with the patient’s medical primary care team.

(e) Study of Effectiveness.—The Secretary shall determine treatment outcomes (including such outcomes as veterans’ satisfaction, health status, treatment compliance, patient functionality, reduction in addiction severity as well as service utilization and treatment costs) of the different treatment trials for chronically mentally ill veterans who are provided treatment through integrated health programs with treatment outcomes for similar chronically mentally ill veterans provided treatment through traditionally consultative relationships.

(f) Results.—Not later than 30 months after selection of the two centers under this section, each selected center shall complete measures of treatment outcomes under subsection (e), as well as measures for matched controls.

(g) Mandatory Audit of Results.—The Department of Veterans Affairs Medical Inspector General shall review medical records of participants and controls for both trials to assure accurate results.

(h) Report and Dissemination of Results.—Not later than two years after the date of the enactment of this Act, the Secretary shall disseminate the best practices for treatment of mentally ill veterans in such a manner as the Secretary determines appropriate.

(i) Costs.—The Secretary may use up to $2,000,000 from funds available to the Secretary for Medical care for costs of each of the treatment trials. Funds identified by the Secretary for the trials shall remain available until expended.

SEC. 12. DENTAL CARE.

(a) In General.—For purposes of section 1712(a)(1) of title 38, United States Code, outpatient dental services and treatment of a dental condition or disability of a veteran described in subsection (b) shall be considered to be necessary if—

(1) the dental services and treatment are necessary for the veteran to successfully gain or regain employment;

(2) the services and treatment are necessary to alleviate pain; or

(3) the dental services and treatment are necessary for treatment of moderate, severe, or chronic and complicated gingival and periodontal pathology.

(b) Eligible Veterans.—Subsection (a) applies to veterans who—

(1) enrolled for care under section 1705(a) of title 38, United States Code; and

(2) receiving care (directly or by contract) in any of the following settings:

(A) a hospital, a nursing home, or a long-term care facility;

(B) a domiciliary under chapter 171 of title 38, United States Code; or

(C) a dental care provider.

(c) Staff Requirement.—The Secretary shall ensure that there is assigned at each Veterans Integrated Care regional office at least one employee assigned specifically to oversee and coordinate dental care programs for veterans in that region, including the housing program for veterans supported by the Department of Housing and Urban Development. TheSecretary shall ensure that there is at least one full-time employee assigned to such functions. (d) Coordination of Employment Services.—The Secretary, by the date specified in section 1773(d) of title 38, United States Code, is amended by adding at the end the following new paragraph:

"(11) Coordination of services provided to veterans through the program provided to veterans by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448)."

SEC. 13. PROGRAMMATIC EXPANSIONS.

(a) Access to Mental Health Services.—The Secretary of Veterans Affairs shall develop standards to ensure that mental health services are available to veterans in a manner similar to the manner in which primary care is available to veterans who require such services by ensuring that each primary care health care facility of the Department has a mental health treatment capacity.

(b) Transitional Housing.—Effective October 1, 2001, section 12 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended to include—

"(14) coordinate services provided to veterans with training assistance for veterans provided by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448)."

SEC. 15. LIFE SAFETY CODE FOR GRANT AND PER DIEM PROVIDERS.

(a) New Grants.—Subsection (b)(5) of the Homeless Veterans Comprehensive Service Programs Act of 1992 (38 U.S.C. 7721 note) is amended by striking "but fire and safety" and all that follows through "carrying out the grant" and inserting "the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.".

(b) Previous Grants.—Section 4 of such Act is amended by adding at the end the following new subsection:

"(e) Life Safety Code.—(1) Except as provided in paragraph (2), a per diem payment (or in-kind assistance in lieu of per diem payments) may not be provided under this section to a grant recipient unless the facility of the grant recipient meet the fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association.

(2) During the five-year period beginning on the date of the enactment of the Heather French Henry Homeless Veterans Assistance Act, paragraph (1) shall not apply to an entity that received a grant under section 3 before that date if the entity meets fire and safety requirements established by the Secretary.

(3) From amounts available for purposes of this section pursuant to section 12, not less than $5,000,000 shall be used only for grants to assist entities covered by paragraph (2) in meeting the Life Safety Code of the National Fire Protection Association.

SEC. 16. TRANSITIONAL ASSISTANCE GRANTS PILOT PROGRAM.

(a) Establishment of Program.—The Secretary of Veterans Affairs may establish a three-year pilot program of transitional assistance grants to eligible homeless veterans. The pilot program shall be established by not more than three Deputy Assistant Secretaries of the regional offices of the Department of Veterans Affairs and shall include at least one regional office located in a large urban area and at least one regional office serving primarily rural veterans. The maximum number of veterans who may participate in the pilot program is 800.

(b) Eligible Veterans.—A veteran is eligible for a transitional assistance grant under this section if the veteran is physically present in the geographic area of a regional office which is participating in the pilot program and the veteran—

(1) is a veteran of a period of war or, if not a veteran of a period of war, meets the minimum service requirements specified in section 5303A of title 38, United States Code;

(2) is being released, or within the preceding 60 days was released, from an institution including a hospital, a penal institution, a homeless shelter, or a facility of a grant and per diem provider;

(3) is a homeless veteran or was a homeless veteran before entrance into service provided to veterans by entities receiving financial assistance under section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448);

(4) has less than marginal income for the preceding three months.
SEC. 17. ASSISTANCE FOR GRANT APPLICATIONS.

(a) GRANT PROGRAM.—The Secretary of Veterans Affairs shall carry out a program to make technical assistance grants to non-profit community-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for grants relating to addressing problems of homeless veterans.

(b) FUNDING.—There is authorized to be appropriated to the Secretary of Veterans Affairs for each of fiscal years 2002 through 2006, $750,000 to carry out the program under this section.

SEC. 18. HOME LOAN PROGRAM FOR MANUFACTURED HOUSING.

(a) In general.—The Secretary of Veterans Affairs shall carry out a program in accordance with this section for the purpose of providing home loan assistance grants for eligible veterans in order to assist such groups in applying for assistance to homeless veterans.

SEC. 19. EXTENSION OF HOMELESS VETERANS REINTEGRATION PROGRAM.

(a) G RANT PROGRAM.—The Secretary of Veterans Affairs shall carry out a program in accordance with this section for the purpose of providing home loan assistance grants for eligible veterans in order to assist such groups in applying for assistance to homeless veterans.

(b) FUNDING.—There is authorized to be appropriated to the Secretary of Veterans Affairs for each of fiscal years 2002 through 2006, $750,000 to carry out the program under this section.

SEC. 20. USE OF REAL PROPERTY.

(a) G RANT PROGRAM.—The Secretary of Veterans Affairs shall carry out a program in accordance with this section for the purpose of providing home loan assistance grants for eligible veterans in order to assist such groups in applying for assistance to homeless veterans.
Dear Senator Wellstone:

On behalf of the members of the Paralyzed Veterans of America (PVA) I am writing to thank you for your continued support for the many veterans who face the trauma of homelessness. We applaud your planned introduction of the "Heather French Henry Homeless Veterans Assistance Act" to help correct this horrible testament to one of the ongoing ravages of war.

As you are aware, on any given night, an estimated 250,000 homeless veterans sleep in cardboard boxes, in alleys or on subway grates. Many of these individuals suffer from Post-Traumatic Stress Disorder and other illnesses that prevent them from getting and keeping employment, often a precursor to homelessness. We thank former Miss America Heather French Henry for making "help for homeless veterans" her platform and committing herself to insuring these veterans are not forgotten.

Homelessness does not have an easy fix. Only through dedicated efforts can it be reduced. Our veterans deserve those efforts. PVA wholeheartedly supports your proposed legislation. From sensible calculations of per diems to an increased focus on women and special needs veterans, this legislation will apply new approaches to caring for our veterans.

We all have a moral obligation to provide care to those veterans who are most vulnerable. Homelessness can be reduced, and Senator Wellstone, your legislation will mark a big step in the right direction.

Sincerely,

Joseph L. Fox, Sr.
National President.

By Mr. GRASSLEY (for himself, Mr. BAUCUS, Mr. GRAHAM, Mr. HATCH, Mr. BREAUX, Mr. MURkowski, Mr. KERRY, Mr. JEFFORDS, Mr. TORRICELLI, Mr. KYL, Mrs. LINCOLN, Mr. HUTCHINSON, Mr. JOHNSON, Mr. HAGEL, Mr. DURBIN, Mr. GREGG, Mr. SCHUMER, Mrs. HUTCHISON, Mr. BAYH, Mr. CHAFEE, and Mr. REID):

S. 742. A bill to provide for pension reform, and for other purposes; to the Committee on Finance.

Mr. GRASSLEY. Mr. President, I rise today along with Senators BAUCUS, GRAHAM, HATCH, BREAUX, MURkowski, KERRY, JEFFords, TORRicELLI, KYL, Lincoln, Hutchinson, Johnson, HAGEL, DURBIN, GREGG, SCHUMER, HutchINson, BAYh, CHaFEE, and Reid to introduce bipartisan legislation intended to help Americans build a more secure retirement. Many of these members, such as Senator GRAHAM, HATCH, BREAUX, and JEFFords have been engaged in pension reform issues for many years. Others bring new energy to the pension reform debate. I want to take a moment to thank them for their hard work and enthusiasm in this bipartisan effort.

For five years now, Senate Finance Committee has worked on this comprehensive pension reform legislation. In the last Congress, we came very close to enacting it into law. For example, the Finance Committee unanimously reported out the bill in early September 2000. While our bill was not considered on the floor, my colleagues and I are not discouraged. We have built on the work from the last five years in drafting the Retirement Security and Savings Act of 2001.

Many baby boomers will enter retirement ill prepared for the potentially high costs of supporting themselves. Inflation alone can siphon money from a fixed income, reducing a retiree's standard of living. So it is important to have a considerable sum saved for one's postemployment years. A fixed income for a worker who retires today will have half the purchasing power 20 years from now, assuming the historical average rate of inflation of 3.25 percent. But adequate retirement savings can protect against inflation and other unexpected costs. Savings rates are at an historical low, but this bill will provide the incentives individuals need to boost their savings rates. The limits on annual contribution plans and IRAs. The provision of the Retirement Security and Savings Act of 2001 has six titles: individual retirement arrangements; expanding coverage; enhancing fairness for women and families; increasing portability and strengthening pension security and enforcement; and reducing regulatory burdens.

Let me highlight a few provisions from each title.

The limit on annual contributions to an IRA has not increased in twenty years. If the contribution limit kept up with inflation, individuals would now be able to contribute around $5000 to an IRA each year. Our bill would increase the maximum contribution limit from $2000 to $5000 and adjust that limit for inflation.

The Retirement Security and Savings Act of 2001 would also eliminate the marriage penalty applicable to contributions to a Roth IRA. The income limits for converting contributions to a Roth IRA. The income limits for converting contributions to a Roth IRA will be increased so that the applicable limit for married couples is twice the limit for single taxpayers.

The Small Business Administration reports that small businesses employ 52 percent of the private sector labor force. An amazing 75 percent of new jobs are created by small businesses. Yet less than 20 percent of small business employers do not start a retirement plan. While the language in this bill may not go as far as many would like, the changes we have made are a step in the right direction.

Women tend to be somewhat more at risk of living in poverty as they age. There are many causes for this trend. For example, women may have breaks in service to care for young children or for elderly family members.

The Retirement Security and Savings Act partially restores the artificial barrier to saving of ordinary employers by offering a partial tax credit to match employee contributions to a retirement plan. Furthermore, the bill would provide an additional credit for employer contributions to an employer contribution to the new retirement plan for the benefit of non-highly compensated employees. These credits have the potential to expand coverage among small businesses and help us reach our goal of zero percent of up to $2000 in contributions for a married couple with an income up to $30,000, and $15,000 for an individual taxpayer.

Our goal with this provision is to get people, especially young people, in the habit of saving.

The Retirement Security and Savings Act of 2001 would encourage small businesses to start a retirement plan for their employees by eliminating unnecessary administrative complexity in the top heavy rules. Top heavy rules that apply only to small businesses and, according to an Employee Benefits Research Institute, EBRI, survey, are the number one regulatory reason why small business owners do not start a retirement plan. While the language in this bill may not go as far as many would like, the changes we have made are a step in the right direction. This bill also encourages lower or middle income individuals, to save for their retirement by establishing a retirement savings tax credit. This non-refundable credit will be equal to 50 percent of up to $2000 in contributions for a married couple with an income up to $30,000, and $15,000 for an individual taxpayer.

Our goal with this provision is to get people, especially young people, in the habit of saving.

Sincerely,

Joseph L. Fox, Sr.
The Retirement Security and Savings Act of 2001 has considerable bipartisan support. Furthermore, over the years that it has been pending, this legislation has received the support of over 100 organizations. These organizations include business groups and labor unions; large and small companies; private sector organizations and organizations representing government employees and many individuals. Few bills in the Senate can claim the diversity of support from organizations that traditionally don’t agree on policy that the Retirement Security and Savings Act of 2001 enjoys. I am proud of this fact. I think it is the clearest signal that we need to enact comprehensive pension reform this session.

I am happy to add one more organization to the list of organizations supporting the Retirement Security and Savings Act of 2001. Horace Deets, Executive Director of AARP sent a letter to me this week expressing AARP’s support for the legislation.

I will work to pass this critical piece of pension reform legislation this Congress. I urge my colleagues who have not already done so, to support the Retirement Security and Savings Act of 2001 and help Americans build a more secure retirement.

I ask unanimous consent that the text of the Retirement Security and Savings Act of 2001 be printed in the Record.

There being no objection, the bill S. 742 was ordered to be printed in the RECORD, as follows:

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

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

(a) SHORT TITLE.—This Act may be cited as the “Retirement Security and Savings Act of 2001.”

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

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Sec. 501. Repeal of 155 percent of current liability funding limit.

Sec. 502. Maximum contribution deduction rules modified and applied to all defined benefit plans.

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Sec. 505. Protection of investment of employee contributions to 401(k) plans.

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Sec. 508. Automatic rollovers of certain mandatory distributions.

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Sec. 521. Notice required for pension plan amendments having the effect of significantly reducing future benefit accruals.

TITLE VI—REDUCING REGULATORY BURDENS

Sec. 601. Modification of timing of plan valuations.

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Sec. 801. Provisions relating to plan amendments.

TITLE I—INDIVIDUAL RETIREMENT ACCOUNTS

SEC. 101. MODIFICATION OF IRA CONTRIBUTION LIMITS

(a) INCREASED CONTRIBUTION LIMIT.—

(1) IN GENERAL.—Paragraph (1)(A) of section 219(b) (relating to maximum amount of deduction) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(2) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(b) E F F E C T I V E D A T E.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. DEEMED IRAS UNDER QUALIFIED EMPLOYER PLANS.

(a) IN GENERAL.—Section 408(a) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of the amount in effect for such taxable year under section 219(b)(1)(A)".

(b) Section 408(b)(3)(B) is amended by striking "$2,000" and inserting "the applicable dollar amount in effect under section 219(b)(1)(A)".

(c) Conforming Amendments.—

(1) Section 408(a)(1) is amended by striking "in excess of $2,000 on behalf of any individual" and inserting "on behalf of any individual in excess of $2,000 on behalf of any individual".

(2) Section 408(b)(2)(B) is amended by striking "$2,000" and inserting "the dollar amount in effect under section 219(b)(1)(A)".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 103. MODIFICATION OF IRA CONTRIBUTION LIMITS

(a) IN GENERAL.—Section 408(b) (relating to applicable dollar amount) is amended to read as follows:

"(1) GENERAL RULE.—If—

"(A) a qualified employer plan elects to apply—

"(i) the applicable dollar amount in effect under section 219(b)(1)(A), or

"(ii) the applicable dollar amount in effect under section 219(b)(1)(A), then

"(B) the applicable dollar amount in effect under section 219(b)(1)(A), or

"(C) the applicable dollar amount in effect under section 219(b)(1)(A), shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

"(3) The applicable dollar amount in effect under section 219(b)(1)(A) applies to—

"(a) a qualified employer plan making an election under subsection (a)(1), and

"(b) a qualified employer plan making an election under subsection (a)(2)."

(b) E F F E C T I V E D A T E.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 104. MODIFICATION OF IRA CONTRIBUTION LIMITS

(a) IN GENERAL.—Section 408(b) (relating to applicable dollar amount) is amended to read as follows:

"(1) GENERAL RULE.—If—

"(A) a qualified employer plan elects to apply—

"(i) the applicable dollar amount in effect under section 219(b)(1)(A), or

"(ii) the applicable dollar amount in effect under section 219(b)(1)(A), then

"(B) the applicable dollar amount in effect under section 219(b)(1)(A), or

"(C) the applicable dollar amount in effect under section 219(b)(1)(A), shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

"(3) The applicable dollar amount in effect under section 219(b)(1)(A) applies to—

"(a) a qualified employer plan making an election under subsection (a)(1), and

"(b) a qualified employer plan making an election under subsection (a)(2)."

(b) E F F E C T I V E D A T E.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 105. MODIFICATION OF IRA CONTRIBUTION LIMITS

(a) IN GENERAL.—Section 408(b) (relating to applicable dollar amount) is amended to read as follows:

"(1) GENERAL RULE.—If—

"(A) a qualified employer plan elects to apply—

"(i) the applicable dollar amount in effect under section 219(b)(1)(A), or

"(ii) the applicable dollar amount in effect under section 219(b)(1)(A), then

"(B) the applicable dollar amount in effect under section 219(b)(1)(A), or

"(C) the applicable dollar amount in effect under section 219(b)(1)(A), shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2003' for 'calendar year 1992' in subparagraph (B) thereof.

"(3) The applicable dollar amount in effect under section 219(b)(1)(A) applies to—

"(a) a qualified employer plan making an election under subsection (a)(1), and

"(b) a qualified employer plan making an election under subsection (a)(2)."

(b) E F F E C T I V E D A T E.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.
“(2) SPECIAL RULES FOR QUALIFIED EMPLOYER PLANS.—For purposes of this title, a qualified employer plan shall not fail to meet any requirement of this title solely by reason of maintaining a program described in paragraph (1).”

“(3) DEFINITIONS.—For purposes of this subsection—

“(A) QUALIFIED EMPLOYER PLAN.—The term ‘qualified employer plan’ has the meaning given such term by section 72(p)(4); except such term shall only include an eligible deferred profit-sharing plan (as defined in section 457(b)) which is maintained by an eligible employer described in section 457(e)(1)(A).”

“(B) VOLUNTARY EMPLOYEE CONTRIBUTION.—The term ‘voluntary employee contribution’ means any contribution (other than a mandatory contribution within the meaning of section 411(c)(2)(C))—

“(i) which is made by an individual as an employee under a qualified employer plan which allows employees to elect to make contributions described in paragraph (1), and

“(ii) with respect to which the individual has designated the contribution as a contribution which is described in subsection (b).”

“(c) AMENDMENT OF ERISA.—

“(1) IN GENERAL.—Section 4 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1003(a)) is amended by adding at the end the following new subsection:

“(c) If a pension plan allows an employee to elect to make voluntary employee contributions to accounts and annuities as provided in section 406(q) of the Internal Revenue Code of 1986, such accounts and annuities (and contributions thereto) shall not be treated as part of such plan (or as a separate pension plan) for purposes of any provision of this title other than section 406(c), 404, or 405 (relating to contributions and annuities and fiduciary and co-fiduciary responsibilities).”

“(2) CONFORMING AMENDMENT.—Section 4(a) of such Act (29 U.S.C. 1003(a)) is amended by inserting “or clause (c)” after “subsection (b).”

“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001. SEC. 103. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

“(a) IN GENERAL.—Section (d) of section 408 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

“(b) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

“(i) In general.—In the case of a qualified charitable distribution from an individual retirement account (as defined in section 170(c), no amount shall be includible in the gross income of the account holder or beneficiary.

“(ii) Special rules relating to charitable remainder trusts, pooled income funds, and charitable gift annuities.—

“(II) To a charitable remainder annuity trust (as such terms are defined in section 664(d)),

“(II) To a charitable remainder unitrust (as such terms are defined in section 664(c)(3)) or

“(III) For the issuance of a charitable gift annuity (as defined in section 501(m)(5)) no amount shall be includible in gross income of the account holder or beneficiary.

“The preceding sentence shall apply only if no person other than the individual (or the individual’s estate in the case of a testamentary trust) will be paid a charitable remainder unitrust (as such terms are defined in section 664(d)), or

“(III) To a charitable remainder unitrust (as such terms are defined in section 664(c)(3)), or

“(iii) In general.—In the case of a qualified charitable distribution from an individual retirement account—

“(I) to a charitable remainder annuity trust (as such terms are defined in section 664(d)),

“(II) to a charitable remainder unitrust (as such terms are defined in section 664(c)(3)), or

“(III) for the issuance of a charitable gift annuity (as defined in section 501(m)(5)), no amount shall be includible in gross income of the account holder or beneficiary. The preceding sentence shall apply only if no person other than the individual (or the individual’s estate in the case of a testamentary trust) will be paid a charitable remainder unitrust (as such terms are defined in section 664(d)), or

“(II) To a charitable remainder unitrust (as such terms are defined in section 664(c)(3)), or

“(III) For the issuance of a charitable gift annuity (as defined in section 501(m)(5)) no amount shall be includible in gross income of the account holder or beneficiary. The preceding sentence shall apply only if no person other than the individual (or the individual’s estate in the case of a testamentary trust) will be paid a charitable remainder unitrust (as such terms are defined in section 664(d)), or

“(b) INCREASE IN AGI LIMIT FOR ROTH IRA CONTRIBUTIONS.—

“(1) IN GENERAL.—Section 408A(c)(3)(C)(i) (relating to limits based on modified adjusted gross income) is amended to read as follows:

“(A) The applicable dollar amount is—

“(I) in the case of a taxpayer filing a joint return, $190,000, and

“(II) in the case of any other taxpayer, $90,000.

“(B) PHASEOUT AMOUNT.—Clause (i) of section 408A(c)(3)(A) is amended to read as follows:

“(A) $15,000 ($30,000 in the case of a joint return).”

“(B) INCREASE IN AGI LIMIT FOR ROTH IRA CONVERSIONS.—Section 408A(c)(3)(B) (relating to the portion of a Roth IRA that is attributable to contributions and the text and inserting “$160,000”,

“(C) CONFORMING AMENDMENT.—Section 408A(c)(3)(B) is amended by striking subparagraphe (D).

“(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001. SEC. 104. MODIFICATION OF AGI LIMITS FOR ROTH IRAS.

“(a) INCREASE IN AGI LIMIT FOR ROTH IRA CONTRIBUTIONS.—

“(1) IN GENERAL.—Section 408A(c)(3)(C)(i) (relating to limits based on modified adjusted gross income) is amended to read as follows:

“(A) The dollar amount is—

“(I) the applicable dollar amount in clause (i)(II) in the case of a taxpayer filing a joint return, $190,000, and

“(II) in the case of any other taxpayer, $100,000.

“(B) PHASEOUT AMOUNT.—Clause (ii) of section 408A(c)(3)(A) is amended to read as follows:

“(C) CONFORMING AMENDMENT.—Section 408A(c)(3)(B) is amended by striking subparagraph (D).

“(b) QUALIFIED TRUSTS.—

“(1) COMMITMENT LIMIT.—Sections 401(a)(17), 404e, 406(k), and 550(b)(7) are each amended by inserting “$160,000” each place it appears and inserting “$200,000”.

“(2) BASE PERIOD AND Rounding of COST-OF-LIVING ADJUSTMENT.—Subparagraph (B) of section 401(a)(17) is amended to read as follows:

“(A) by striking “October 1, 1993” and inserting “July 1, 2001”; and

“(B) by striking “$10,000” both places it appears and inserting “$5,000”.

“(c) ELECTIVE DEFERRALS.—

“(1) IN GENERAL.—Paragraph (1) of section 401(a)(17) (relating to limitation on elective deferrals) is amended to read as follows:

“(A) LIMITATION.—Notwithstanding subsections (c)(3) and (h)(1)(B), the elective deferral requirements of any individual for any taxable year shall not be included in such individual’s gross income to the extent the amount of such deferral for the taxable year exceeds the applicable dollar amount.

“(B) APPLICABLE DOLLAR AMOUNT.—For purposes of subparagraph (A), the applicable dollar amount in the head-
For taxable years beginning after December 31, 2006, the Secretary shall adjust the $15,000 amount under paragraph (1)(B) at the same time and in the same manner as under section 416(c)(1) by adding at the end the following: "Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph."

(2) CONFORMING AMENDMENTS.—Section 214(d)(1)(B)(ii) is amended by striking ‘‘and’’ and inserting ‘‘and’’.

(3) AMENDMENT OF ERISA.—Section 401(m)(4)(A) of ERISA is amended by inserting at the end the following: ‘‘Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph."

(4) NOTwithstanding the effective date of this section, the amendments made by this section shall apply to years beginning after December 31, 2006.

SEC. 202. PLAN LOANS FOR SUBCHAPTER S OWNERS, PARTNERS, AND SOLE PROPRIETORS.

(a) IN GENERAL.—Subsection (b) of section 416(i)(1) (relating to minimum requirement) is amended by striking ‘‘the applicable dollar amount’’ and inserting ‘‘the amount determined in accordance with the following table’’.

(b) 5-YEAR PERIOD IN CASE OF IN-SERVICE DISTRIBUTION.—In the case of any distribution made for a reason other than separation from service, death, or disability, subparagraph (D) is amended by striking ‘‘5-year period’’ and inserting ‘‘7-year period’’.

(c) CONFORMING AMENDMENT.—Section 214(d)(1)(B)(ii) is amended by striking ‘‘the applicable dollar amount’’ and inserting ‘‘the amount determined in accordance with the following table’’.

(d) FROZEN PLAN EXEMPT FROM MINIMUM BENEFIT REQUIREMENTS.—Subparagraph (C) of section 416(c)(1) (relating to defined benefit plans) is amended by striking ‘‘the applicable dollar amount’’ and inserting ‘‘the amount determined in accordance with the following table’’.

(e) ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.—ELECTIVE deferrals (as defined in section 401(k)(1)(B)) are not taken into account for purposes of determining the amount of the account of any employee, such present value or amount shall be increased by the aggregate distributions made with respect to such employee under the plan during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which if it had not been terminated would have been required to be included in an aggregation group.

(f) CONFORMING AMENDMENT.—Section 401(m)(4)(A) of ERISA is amended by inserting at the end the following: ‘‘Employer matching contributions (as defined in section 401(m)(4)(A)) shall be taken into account for purposes of this subparagraph."

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2006.

SEC. 204. ELECTIVE DEFERRALS NOT TAKEN INTO ACCOUNT FOR PURPOSES OF DEDUCTION LIMITS.

(a) IN GENERAL.—Section 404 (relating to deduction for contributions of an employer to an employee’s trust) is amended by striking from the first sentence that paragraph '‘an annuity plan’’ and ‘‘a term life insurance plan’’ and inserting ‘‘an annuity plan under a deferred payment plan’’.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2006.
SEC. 206. DEDUCTION LIMITS.

(a) Rights of Participants.—

(1) Stock bonus and profit sharing trusts.—

(A) In general.—Subsection (c) of section 401(a)(31) (relating to stock bonus and profit sharing trusts) is amended by striking ‘‘15 percent’’ and inserting ‘‘25 percent’’.

(B) CONFORMING AMENDMENT.—Subparagraph (C) of section 401(h)(1) is amended by striking ‘‘15 percent’’ and inserting ‘‘25 percent’’.

(2) Defined contribution plans.—

(A) In general.—Subclause (v) of section 404(a)(3)(A) (relating to stock bonus and profit sharing trusts) is amended to read as follows:

‘‘(iv) for purposes of this subpart, defined contribution plans shall be treated as stock bonus plans and profit sharing plans subject to the limitations in section 401(a)(3) (relating to stock bonus and profit sharing plans subject to the funding standards), except as provided by the Secretary, a defined contribution plan which is subject to the funding standards of section 412 shall be treated in the same manner as a stock bonus or profit sharing plan for purposes of this subpart.’’

(B) CONFORMING AMENDMENTS.—

(1) Section 401(a)(1) is amended by inserting ‘‘other than a trust to which paragraph (3) applies’’ after ‘‘pension trust’’.

(2) Section 401(h)(1) is amended by striking ‘‘stock bonus or profit-sharing trust’’ and inserting ‘‘trust subject to subsection (a)(31)’’.

(3) The heading of section 404(h)(2) is amended by striking ‘‘stock bonus and profit-sharing trust’’ and inserting ‘‘defined benefit plan’’.

(b) DEFERRED COMPENSATION PLANS.—

(1) In general.—Section 402(b)(1) is amended by adding at the end of paragraph (1) ‘‘or after December 31, 2001’’.

(2) DEFINITION.—The term ‘‘defined benefit plan’’ means any elective deferral program for purposes of subparagraph (A).

(3) CONFORMING AMENDMENTS.—

(a) IN GENERAL.—Subsection (a) of section 402(b)(3)(A) is amended by striking ‘‘as modified by any adjustment provided under subsection (b)(3)’’.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.

SEC. 207. OPTION TO TREAT ELECTIVE DEFERRALS AS AFTER-TAX ROTH CONTRIBUTIONS.

(a) In General.—Subpart A of part I of subchapter D of chapter 1 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 201, is amended by adding after section 402 the following new section:

‘‘SEC. 402A. OPTIONAL TREATMENT OF ELECTIVE DEFERRALS AS ROTH CONTRIBUTIONS.

‘‘(a) GENERAL RULE.—If an applicable retirement plan includes a qualified Roth contribution program—

‘‘(1) any designated Roth contribution made by an employee pursuant to the program shall be treated as an elective deferral for purposes of this chapter, except that such elective deferral shall not be includable in gross income, and

‘‘(2) such plan (and any arrangement which is part of such plan) shall not be treated as failing to meet any requirement of this chapter solely by reason of including such program.

(b) QUALIFIED ROTH CONTRIBUTION PROGRAM.—For purposes of this section—

‘‘(1) IN GENERAL.—The term ‘‘qualified Roth contribution program’’ means a program under which an employee may elect to make contributions in lieu of all or a portion of elective deferrals the employee is otherwise eligible to make under the applicable retirement plan.

‘‘(2) SEPARATE ACCOUNTING REQUIRED.—A program shall not be treated as a qualified Roth contribution program unless the applicable retirement plan—

‘‘(A) establishes separate accounts (designated Roth accounts) for the designated Roth contributions of each employee and any earnings properly allocable to the contributions, and

‘‘(B) maintains separate recordkeeping with respect to each account.

(c) DEFINITIONS AND RULES RELATING TO DESIGNATED ROTH CONTRIBUTIONS.—For purposes of this section—

‘‘(1) DESIGNATED ROTH CONTRIBUTION.—The term ‘‘designated Roth contribution’’ means any elective deferral which—

‘‘(A) is excludable from gross income of an employee without regard to this section, and

‘‘(B) the employee designates (at such time and in such manner as may be prescribed) as not being so excludable.

‘‘(2) DESIGNATION LIMITS.—The amount of elective deferrals which an employee may designate under paragraph (1) shall—

‘‘(A) be applied separately with respect to designated Roth contributions in lieu of all or a portion of elective deferrals made by an individual’s employer for an applicable retirement plan under which the individual made a designated Roth contribution, and

‘‘(B) not be treated as investment in the applicable retirement plan.

‘‘(3) DISTRIBUTIONS WITHIN NONEXCLUSION PERIOD.—A qualified distribution shall be treated as if the distribution is made within the 5-taxable-year period beginning with the earlier of—

‘‘(i) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

‘‘(ii) if a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

‘‘(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND CONTRIBUTIONS AND EARNINGS THEREON.—For purposes of this subsection, the term ‘qualified distribution’ shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income (or gain) on excess deferral or contribution.

‘‘(3) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April 15 following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

‘‘(A) not be treated as investment in the applicable retirement plan, and

‘‘(B) be included in gross income for the taxable year in which such excess is distributed.

(d) AGGREGATION RULES.—Section 402(g) shall be applied separately with respect to distributions and payments from a designated Roth account and other distributions and payments from the plan.

(e) OTHER DEFINITIONS.—For purposes of this section—

‘‘(1) APPLICABLE RETIREMENT PLAN.—The term ‘applicable retirement plan’ includes any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).

‘‘(2) EXCESS DEFERRALS.—Section 402(g) relating to limitation on exclusion for elective deferrals is amended—

‘‘(i) by adding at the end of paragraph (1)(A) (as added by section 201(c)(1)) the following new clause:

‘‘(v) payments or distributions from a designated Roth account which are made within the 5-taxable-year period beginning with the later of—

‘‘(I) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

‘‘(II) if a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

‘‘(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND CONTRIBUTIONS AND EARNINGS THEREON.—For purposes of this subsection, the term ‘qualified distribution’ shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income (or gain) on excess deferral or contribution.

‘‘(3) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April 15 following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

‘‘(A) not be treated as investment in the applicable retirement plan, and

‘‘(B) be included in gross income for the taxable year in which such excess is distributed.

‘‘(4) AGGREGATION RULES.—Section 402(g) shall be applied separately with respect to distributions and payments from a designated Roth account and other distributions and payments from the plan.

‘‘(e) OTHER DEFINITIONS.—For purposes of this section—

‘‘(1) APPLICABLE RETIREMENT PLAN.—The term ‘applicable retirement plan’ includes any elective deferral described in subparagraph (A) or (C) of section 402(g)(3).

‘‘(2) EXCESS DEFERRALS.—Section 402(g) relating to limitation on exclusion for elective deferrals is amended—

‘‘(i) by adding at the end of paragraph (1)(A) (as added by section 201(c)(1)) the following new clause:

‘‘(v) payments or distributions from a designated Roth account which are made within the 5-taxable-year period beginning with the later of—

‘‘(I) the first taxable year for which the individual made a designated Roth contribution to any designated Roth account established for such individual under the same applicable retirement plan, or

‘‘(II) if a rollover contribution was made to such designated Roth account from a designated Roth account previously established for such individual under another applicable retirement plan, the first taxable year for which the individual made a designated Roth contribution to such previously established account.

‘‘(C) DISTRIBUTIONS OF EXCESS DEFERRALS AND CONTRIBUTIONS AND EARNINGS THEREON.—For purposes of this subsection, the term ‘qualified distribution’ shall not include any distribution of any excess deferral under section 402(g)(2) or any excess contribution under section 401(k)(8), and any income (or gain) on excess deferral or contribution.

‘‘(3) TREATMENT OF DISTRIBUTIONS OF CERTAIN EXCESS DEFERRALS.—Notwithstanding section 72, if any excess deferral under section 402(g)(2) attributable to a designated Roth contribution is not distributed on or before the 1st April 15 following the close of the taxable year in which such excess deferral is made, the amount of such excess deferral shall—

‘‘(A) not be treated as investment in the applicable retirement plan, and

‘‘(B) be included in gross income for the taxable year in which such excess is distributed.

SEC. 208. DISTRIBUTIONS FROM DEFERRED COMPENSATION PLANS.

(a) General.—Section 401(k)(9) is amended by inserting ‘‘or (as modified by any adjustment provided under subsection (b)(3))’’ after ‘‘or (as defined in section 401(k)(9))’’.

(b) E F F E C T I V E D A T E .—The amendment made by this section shall apply to years beginning after December 31, 2001.

SEC. 209. LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZATIONS.

(a) General.—Subsection (c) of section 457 (relating to deferred compensation plans of State and local governments and tax-exempt organizations), as amended by section 201, is amended by adding at the end of paragraph (1) ‘‘or after December 31, 2001’’.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to years beginning after December 31, 2001.
(d) REPORTING REQUIREMENTS.—(1) W-2 INFORMATION.—Section 6051(a)(8) is amended by inserting “including the amount of designated Roth contributions (as defined in section 402A)” before the comma at the end.

(2) INFORMATION.—Section 6047 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

“(f) Designated Roth Contributions.—The Secretary shall require the plan administration of each applicable retirement plan (as defined in section 402A) to make such returns and reports regarding designated Roth contributions (as defined in section 402A) to the Secretary, participants and beneficiaries of the plan, and such other persons as the Secretary may prescribe.”.

(e) CONFORMING AMENDMENTS.—(1) Section 408A(e) is amended by adding after the first sentence the following new sentence: “Such term includes a rollover contribution described in section 402A(c)(5)(A).”

(2) The table of sections for subpart A of chapter 2 of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 402A the following new item:

“Sec. 402A. Optional treatment of elective deferrals as Roth contributions.”

(Sec. 25B. Elective deferrals and IRA contributions by certain individuals.)

(1) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to non-refundable personal credits) is amended by inserting after section 25A the following new section:

“SEC. 25A. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

“(a) Allowance of Credit.—In the case of any eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed $2,000.

“(b) Applicable Percentage.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

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<th>All other cases</th>
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“(c) Eligible Individual.—For purposes of this section—

“(1) In General.—The term ‘eligible individual’ means any individual if such individual has attained the age of 18 as of the close of the taxable year.

“(2) Dependents and Full-Time Students Not Eligible.—The term ‘eligible individual’ shall not include—

“(A) any individual with respect to whom a deduction under section 151 is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual’s taxable year begins, and

“(B) any individual who is a student (as defined in section 151(c)(4)).

“(d) Qualified Retirement Savings Contributions.—For purposes of this section—

“(1) In General.—The term ‘qualified retirement savings contributions’ means, with respect to any taxable year, the sum of—

“(A) the amount of the qualified retirement contributions (as defined in section 415(e)) made by the eligible individual,

“(B) the amount of—

“(i) any elective deferral (as defined in section 402(g)(3)) of such individual, and

“(ii) any elective deferral of compensation by such individual under an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

“(C) any distribution of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

“(2) Reduction for Certain Distributions.—

“(A) In General.—The qualified retirement savings contributions determined under paragraph (1) shall be reduced (but not below zero) by the sum of—

“(i) any distribution from a qualified retirement plan (as defined in section 4974(c)), or from an eligible deferred compensation plan (as defined in section 457(b)), received by the individual during the testing period which is includible in gross income, and

“(ii) any distribution from a Roth IRA received by the individual during the testing period which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

“(B) Testing Period.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

“(i) such taxable year,

“(ii) the 2 preceding taxable years, and

“(iii) the period after such taxable year and before the due date (including extensions) for filing the return of tax for such taxable year.

“(C) Excepted Distributions.—There shall not be taken into account under subparagraph (A)—

“(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 408A(d)(3), or 408(d)(4), and

“(ii) any distribution to which section 408A(d)(3) applies.

“(D) Treatment of Distributions Received by Spouse of Individual.—For purposes of determining the distributions received by the spouse of such individual, such testing period shall be increased by the period during which the spouse receives the distribution.

“(E) Adjusted Gross Income.—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

“(F) Investment in the Contract.—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

“(G) Limitation Based on Amount of Tax.—The aggregate credit allowed by this section for the taxable year shall not exceed the sum of—

“(1) the taxpayer’s regular tax liability for the taxable year reduced by the sum of the credits allowed by sections 21, 22, 23, 24, 25, and 26A, plus

“(2) the tax imposed by section 55 for such taxable year.

“(H) Annual Report.—The Comptroller General of the United States shall submit a report annually to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the number of taxpayers receiving the credit allowed under section 25B of the Internal Revenue Code of 1986, as added by subsection (a).

“(d) Conforming Amendment.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

“Sec. 25B. Elective deferrals and IRA contributions by certain individuals.”

“(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001, and before January 1, 2007.

(Sec. 25B. Small employer pension plan contributions of small employers.)

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

“SEC. 45E. SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS.

“(a) General Rule.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan contribution credit determined under this section for any taxable year is an amount equal to 50 percent of the amount which would (but for subsection (f)(1)) be allowed as a deduction under section 401 for such taxable year for
qualified employer contributions made to any qualified retirement plan on behalf of any employee who is not a highly compensated employee.

(b) CREDIT LIMITED TO 3 YEARS.—The credit allowed under this section shall be allowed only with respect to the period of 3 taxable years beginning with the first taxable year for which a credit is allowable with respect to a plan under this section.

(c) QUALIFIED EMPLOYER CONTRIBUTION.—For purposes of this section—

(1) DEFINED CONTRIBUTION PLANS.—In the case of a defined contribution plan, the term ‘qualified employer contribution’ means the amount of nonelective and matching contributions to the plan made by the employer on behalf of any employee who is not a highly compensated employee to the extent such amount does not exceed 3 percent of such employee’s compensation from the employer for the year.

(2) DEFINED BENEFIT PLANS.—In the case of a defined benefit plan, the term ‘qualified employer contribution’ means the amount of employer contributions to the plan made on behalf of any employee who or in connection with whom the employee’s compensation credited under this section is attributable to the small employer pension plan contribution credit determined under this section (as so determined), and, for any taxable year which is the first taxable year beginning before January 1, 2002, the term ‘qualified employer contribution’ shall be increased by an amount equal to 35 percent of the employer contributions from the employer which are paid or incurred for the taxable year which is the first taxable year beginning before January 1, 2002.

(3) DISTRIBUTION REQUIREMENTS.—In the case of a profit-sharing or stock bonus plan, the requirements of this paragraph are met if, under the plan, qualified employer contributions are distributable only as provided in section 401(e)(5).

(4) DISTRIBUTION REQUIREMENTS.—In the case of a profit-sharing or stock bonus plan, the requirements of this paragraph are met if, under the plan, qualified employer contributions are distributable only as provided in subsection (b) of section 401(e)(5).

(5) OTHER DEFINITIONS.—For purposes of this section—

(A) ELIGIBLE EMPLOYER.—

(1) IN GENERAL.—The term ‘eligible employer’ means an employer which has no more than 50 employees who received at least $5,000 of compensation from the employer for the preceding year.

(B) REQUIREMENT FOR NEW QUALIFIED EMPLOYER PLANS.—Such term shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the employer contributes to the credit under this section, the employer is not a highly compensated employee or any member of any group including the employer (or any predecessor of either) established or maintained a qualified employer plan.

(6) HIGHLY COMPENSATED EMPLOYEE.—The term ‘highly compensated employee’ has the meaning given such term by section 414(q) determined without regard to section 414(q)(3).

(7) SPECIAL RULES.—

(A) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified employer contributions which were made or incurred for the taxable year which is equal to the credit determined under subsection (a).

(B) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have the credit determined under this section for any taxable year that is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

(8) DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

(A) $500 for the first credit year and each of the 2 taxable years immediately following the first credit year, and

(B) $2,000 for any other taxable year.

(9) ELIGIBLE EMPLOYER.—For purposes of this section—

(A) IN GENERAL.—The term ‘eligible employer’ shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, any member of any group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

(B) HIGHLY COMPENSATED EMPLOYEE.—The term ‘highly compensated employee’ has the meaning given such term by section 414(q) determined without regard to section 414(q)(3).

(10) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT.—

A qualified employer contribution is not a tax credit within the meaning of section 38(b) of the Internal Revenue Code (as amended by section 38 of Pub. L. No. 106-517, as so amended).

(11) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT.—

The term ‘qualified employer contribution’ shall mean the amount of the qualified employer contribution which is attributable to the small employer pension plan contribution credit determined under this section.

(12) DOLLAR LIMITATION.—The term ‘qualified employer contribution’ shall not include an employer if, during the 3-taxable year period immediately preceding the 1st taxable year for which the credit under this section is otherwise allowable for a qualified employer plan of the employer, any member of any group including the employer (or any predecessor of either) established or maintained a qualified employer plan with respect to which contributions were made, or benefits were accrued, for substantially the same employees as are in the qualified employer plan.

(13) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT.—

A qualified employer contribution is not a tax credit within the meaning of section 38(b) of the Internal Revenue Code (as amended by section 38 of Pub. L. No. 106-517, as so amended).

(14) CONFORMING AMENDMENTS.—

(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

(b) DOLLAR LIMITATION.—The amount of the credit determined under this section for any taxable year shall not exceed—

(A) $500 for the first credit year and each of the 2 taxable years immediately following the first credit year, and

(B) $2,000 for any other taxable year.

(2) OTHER DEFINITIONS.—For purposes of this section—

(A) IN GENERAL.—The term ‘qualified startup costs’ means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

(i) the establishment or administration of an eligible employer plan, or

(ii) the retirement-related education of employees with respect to such plan.

(B) EMPLOYEE—Must Have Participant.—Such term shall not include any expense in connection with a plan that does not satisfy the requirements of a qualified employer plan.
not have at least 1 employee eligible to par-
ticipate who is not a highly compensated
employee.

(2) ELIGIBLE EMPLOYER PLAN.—The term "eligible
employer plan" means a qualified employer plan within the meaning of section 4972(d).

(3) FIRST CREDIT YEAR.—The term "first
credit year" means the taxable year in which
such plan is treated as established for pur-
poses of this section.

(4) QUALIFIED PENSION PLAN.—The term "quali-
fied pension plan" means a qualified pension
plan which is treated as a single employer plan for purposes of this section.

(5) PENSION BENEFIT CREDIT.—The term "pension
benefit credit paid or incurred for the taxable
year preceding the taxable year referred to in subparagraph (A).

(6) IN GENERAL.—An employer may claim a credit for any taxable year beginning after December 31, 2001, with respect to the qualified startup costs paid or incurred for such year which is equal to the credit determined under subsection (a).

(7) SPECIAL RULES.—For purposes of this section—

(a) No portion of the unused credit determined under section 45F(a).''

(b) The term "eligible employer plan" shall include an employer plan which is treated as a single employer plan under subsection (u)(3) for purposes of this section.

(c) The term "qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).''

(8) ELECTIVE DEFERRAL.—For purposes of this section—

(a) IN GENERAL.—An employer may claim a credit for any taxable year beginning after December 31, 2001, with respect to the qualified startup costs paid or incurred for such year which is equal to the credit determined under subsection (a).

(b) EQUITABLE TREATMENT.—The term "equitable treatment" means the meaning given such term by subsection (n)(2)(C).

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d), as amended by section 209, is amended by striking "plus" at the end of paragraph (14) and inserting "plus" after December 31, 2001, with respect to any year, the amount in effect under section 402(g)(1)(B), 408(p)(2)(E)(ii), 408(p)(2)(A), whichever is applicable to an applicable employer plan, for such year.

(9) SEC. 457(b)(3) APPLIES.—The term "appli-
cable employer plan" means—

(A) an applicable employer plan, for such year.

(b) EFFECTIVE DATE.—The amendment
made by this section shall apply to contribu-
tions in taxable years beginning after De-
"(E) ANNUITY CONTRACTS.—In the case of an annuity contract described in section 403(b), the term ‘participant’s compensation’ means the participant’s includible compensation as determined under section 403(b)(3)."

(E) Section 415(c) is amended by striking paragraph (4).

(F) Section 415(c)(7) is amended to read as follows:

"(7) CERTAIN CONTRIBUTIONS BY CHURCH PLANS NOT TREATED AS EXCEEDING LIMIT.—

(A) Notwithstanding any other provision of this subsection, at the election of a participant who is an employee of a church or association of churches, including an organization described in section 414(e)(3)(B)(ii), contributions and other additions for an annuity contract to a retirement income account described in section 403(b) with respect to such participant, when expressed as an annual addition to such participant’s account, shall be treated as not exceeding the limitation of paragraph (1) if such annual addition is not in excess of $10,000.

(B) $40,000 AGGREGATE LIMITATION.—The total contributions and other additions of any participant which may be taken into account for purposes of this subparagraph for all years may not exceed $40,000.

(C) APPLICABILITY.—For purposes of this paragraph, the term ‘annual addition’ has the meaning given such term by paragraph (2).

(G) Paragraph (B) of section 402(g)(7) (as redesignated by section 201(c)(3)) is amended by inserting before the period at the end the following: ‘‘as in effect before the enactment of the Retirement Security and Savings Act of 2001.’’

(H) Section 664(g) is amended—

(1) in paragraph (2), by striking ‘‘A plan’’ and inserting ‘‘applicable limitation under paragraph (7),’’ and

(2) by adding at the end the following:

‘‘(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

(A) by substituting ‘‘3 years’’ for ‘‘5 years’’ in subparagraph (A), and

(B) by substituting the following table for the table contained in subparagraph (B):

<table>
<thead>
<tr>
<th>Years of service:</th>
<th>The nonforfeitable percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>60</td>
</tr>
<tr>
<td>4</td>
<td>80</td>
</tr>
<tr>
<td>3</td>
<td>100</td>
</tr>
</tbody>
</table>

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2000.

SEC. 203. FASTER VESTING OF CERTAIN EMPLOYER MATCHING CONTRIBUTIONS.

(a) IN GENERAL.—Section 411(a) (relating to minimum vesting standards) is amended—

(1) in paragraph (2), by striking ‘‘A plan’’ and inserting ‘‘Except as provided in paragraph (12), a plan’’;

(ii) by striking ‘‘applicable limitation under paragraph (7),’’ and

(ii) by adding at the end the following:

‘‘(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

(A) by substituting ‘‘3 years’’ for ‘‘5 years’’ in subparagraph (A), and

(B) by substituting the following table for the table contained in subparagraph (B):

<table>
<thead>
<tr>
<th>Years of service:</th>
<th>The nonforfeitable percentage is:</th>
</tr>
</thead>
<tbody>
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<td>60</td>
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<tr>
<td>4</td>
<td>80</td>
</tr>
<tr>
<td>3</td>
<td>100</td>
</tr>
</tbody>
</table>

(b) AMENDMENT OF ERISA.—Section 203(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1053(a)) is amended—

(1) in paragraph (2), by striking ‘‘A plan’’ and inserting ‘‘Except as provided in paragraph (12), a plan’’;

(ii) by striking ‘‘applicable limitation under paragraph (7),’’ and

(ii) by adding at the end the following:

‘‘(12) FASTER VESTING FOR MATCHING CONTRIBUTIONS.—In the case of matching contributions (as defined in section 401(m)(4)(A)), paragraph (2) shall be applied—

(A) by substituting ‘‘3 years’’ for ‘‘5 years’’ in subparagraph (A), and

(B) by substituting the following table for the table contained in subparagraph (B):

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<td>4</td>
<td>80</td>
</tr>
<tr>
<td>3</td>
<td>100</td>
</tr>
</tbody>
</table>

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this subsection shall apply to years beginning after December 31, 2001.
(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to years beginning after December 31, 2001.

SEC. 305. CLARIFICATION OF TAX TREATMENT OF DIVISION OF SECTION 457 PLAN BENEFITS UPON DIVORCE.

(a) In General.—Section 414(p)(11) (relating to the application of rules to governmental and charitable organizations) is amended—

(1) by inserting “or an eligible deferred compensation plan (within the meaning of section 457)” after subsection (e)”, and

(2) in the heading, by striking “GOVERNMENTAL AND CHARITABLE PLANS” and inserting “CERTAIN OTHER PLANS”;

(b) Exclusion of Certain Contributions.—Section 402(b)(6) (relating to the exclusion of certain contributions) is amended by the following new subparagraph:

“(C) so much of the contributions to a simple retirement account (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer.”;

(2) Effective Date.—The amendments made by this subsection shall be applied to contributions made after December 31, 2002, under section 402(b)(6), as amended by the amendments made by this subsection, and inserting “section 402(b)(6), as amended by the amendments made by this subsection”, and by inserting at the end of the following new subparagraph: “and inserting after subparagraph (B) the following new subparagraph: “(C) so much of the contributions to a simple retirement account (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer.”;

(c) Tax Treatment of Payments From a Section 401 Plan.—Subsection (p) of section 401 is amended by redesignating paragraph (12) as paragraph (13) and inserting after paragraph (11) the following new paragraph:

“(12) Tax Treatment of Payments From a Section 401 Plan.—If a distribution or payment from an eligible deferred compensation plan described in section 457(b) is made pursuant to a qualified domestic relations order, rules similar to the rules of section 402(b)(6), as amended by the amendments made by this subsection, shall apply to such distribution or payment.”;

(d) Effective Date.—

(1) In General.—The amendment made by subsection (c) shall apply to transfers, distributions, and payments made after December 31, 2001.

(2) Amendments Relating to Assignments in Divorce, Etc., Proceedings.—The amendments made by subsections (a) and (b) shall take effect on January 1, 2002, except that in the case of a qualified domestic relations order entered before such date, the plan administrator—

(A) shall treat such order as a qualified domestic relations order if such administrator is paying benefits pursuant to such order on such date, and

(B) may treat any other such order entered before such date as a qualified domestic relations order even if such order does not meet the requirements of such amendments;

SEC. 306. PROVISIONS RELATING TO HARDSHIP DISTRIBUTIONS.

(a) Safe Harbor Relief.—

(1) In General.—The Secretary of the Treasury shall prescribe regulations relating to hardship distributions under section 401(k)(2)(B)(i)(IV) of the Internal Revenue Code of 1986 to provide that the period an employee is prohibited from making elective and employee contributions in order for a distribution to be deemed necessary to satisfy financial need shall be equal to 6 months.

(2) Effective Date.—The revised regulations under this subsection shall apply to years beginning after December 31, 2001.

(b) Hardship Distributions Not Treated as Eligible Rollovers.

(1) Modification of Definition of Eligible Rollover.—Section 402(c)(4)(C) (relating to eligible rollover distribution) is amended by striking “or” at the end of subparagraph (C) and inserting “or” at the end of subparagraph (B); and

(2) Effective Date.—The amendment made by this subsection shall apply to distributions made after December 31, 2002, unless a plan administrator elects to apply such amendment to distributions made after December 31, 2001.

SEC. 307. WAIVER OF TAX ON NONDEDUCTIBLE CONTRIBUTIONS FOR DOMESTIC OR PARENT RELATIONSHIP.

(a) In General.—Section 4974(c) (relating to exceptions to nondeductible contributions) is amended by section 502, as amended by striking “or” at the end of subparagraph (A), by striking the period and inserting “, or” at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

“(C) so much of the contributions to a simple retirement account (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer.”;

(b) Effective Date.—The amendments made by this section shall apply to distributions made after December 31, 2001.

(c) No Inference.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of nondeductible contributions under the laws in effect before such amendments.

(d) Effective Date.—

(1) In General.—The revised regulations under this section shall apply to years beginning after December 31, 2001.

(2) Effect of Date.—The revised regulations under this section shall apply to distributions made after December 31, 2001.

SEC. 308. WAIVER OF TAX ON NONDEDUCTIBLE CONTRIBUTIONS FOR CHILDCARE PURPOSES.

(a) In General.—Section 4974(c) (relating to exceptions to nondeductible contributions) is amended by section 502, as amended by striking “or” at the end of subparagraph (A), by striking the period and inserting “, or” at the end of subparagraph (B), and by inserting after subparagraph (B) the following new subparagraph:

“(C) so much of the contributions to a simple retirement account (within the meaning of section 401(k)(11)) which are not deductible when contributed solely because such contributions are not made in connection with a trade or business of the employer.”;

(b) Effective Date.—The amendments made by this section shall apply to distributions made after December 31, 2001.

(c) No Inference.—Nothing in the amendments made by this section shall be construed to infer the proper treatment of nondeductible contributions under the laws in effect before such amendments.

(d) Effective Date.—The revised regulations under this section shall apply to years beginning after December 31, 2001.

SEC. 309. Cancellation of Certain Employee Contributions Under Section 401(k).—Section 402(e)(1)(A) shall apply to such distribution to the extent so transferred of the property distributed, then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

(a) In General.—The Secretary of the Treasury shall prescribe regulations under this section (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified plans) by which an eligible employer described in section 402(e)(1)(A) shall apply to amounts transferred from an eligible deferred compensation plan described in section 457(b) which is maintained by an eligible employer described in section 402(e)(1)(A).

(b) Separate Accounting.—Section 402(c) is amended by adding at the end the following new paragraph:

“(11) Separate Accounting.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause that may not accept transfers or rollovers from such retirement plans.”;

(c) 10 Percent Additional Tax.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified plans) is amended by adding at the end the following new paragraph:

“(9) Special Rule for Rollovers to Section 403(b) Plans.—For purposes of this subsection, the term ‘rollover’ (as defined in section 402(c)) shall be treated as a distribution from a qualified retirement plan described in section 403(b) (as defined in section 403(b)(8)(A)(ii)).”;

(d) Allowance of Rollovers From and To 403(b) Plans.—

(1) Rollovers From Section 403(b) Plans.—

Section 402(c)(8)(B)(i) (relating to rollover amounts) is amended by striking “ distributions ” and inserting “ distributions, or ” after “ rollover amounts ”.

(2) Rollovers To Section 403(b) Plans.—

Section 402(c)(8)(B) (defining eligible retirement plan) is amended by striking “ and ” at the end of clause (iv) and inserting “, and ” after “ plan described in section 457(b) and which is maintained by an eligible employer described in section 457(e)(1)(A) ”.

(3) Separate Accounting.—Section 402(c) is amended by adding at the end the following new paragraph:

“(11) Separate Accounting.—Unless a plan described in clause (v) of paragraph (8)(B) agrees to separately account for amounts rolled into such plan from eligible retirement plans not described in such clause, the plan described in such clause that may not accept transfers or rollovers from such retirement plans.”;

(4) 10 Percent Additional Tax.—Subsection (t) of section 72 (relating to 10-percent additional tax on early distributions from qualified plans) is amended by adding at the end the following new paragraph:

“(9) Special Rule for Rollovers to Section 403(b) Plans.—For purposes of this subsection, the term ‘rollover’ (as defined in section 402(c)) shall be treated as a distribution from a qualified retirement plan described in section 403(b) by which an eligible employer described in section 457(e)(1)(A) shall apply to amounts transferred from an eligible deferred compensation plan described in section 4974(c)).”;

(b) Allowance of Rollovers From and To 403(b) Plans.—

(1) Rollovers From Section 403(b) Plans.—

Section 402(c)(8)(B)(i) (relating to rollover amounts) is amended by striking “ such distribution ” and all that follows and inserting “ such distribution to an eligible retirement plan described in section 457(b) (as defined in section 457(b) of an eligible employer described in section 457(e)(1)(A)) which is treated as a distribution from a qualified retirement plan described in section 457(b) (as defined in section 457(b) of an eligible employer described in section 457(e)(1)(A)) and inserting “, or ” after “ rollover amounts ”.

(2) Rollovers To Section 403(b) Plans.—

Section 402(c)(8)(B) (defining eligible retirement plan) is amended by adding at the end of clause (iv) by striking the period at the end of clause (iv) and inserting “, and ”, and by inserting after clause (iv) the following new clause:

“(v) an annuity contract described in section 403(b)(8)(A)(vi)”.;

(c) Expanded Explanation to Recipients of Rollover Distribution.—For purposes of subsection (d) of section 402(f) (relating to written explanation to recipients of distributions eligible for taxation under section 402(f))—
for rollover treatment) is amended by striking “and” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, and”, and by adding at the end the following new subparagraph:

“(E) of the provisions under which distribution from eligible retirement plans (including any 401(k) plan) receiving the distribution may be subject to restrictions and tax consequences which are different from those applicable to distributions from the plan making such distribution.”

(d) Spousal Rollovers.—Section 402(c)(9) (relating to rollover where spouse receives distribution) is amended by striking “;” and inserting “,”; and by adding at the end the following new subparagraph:

“(Section 72(c)(4) is amended by striking “and 408(d)(3)” and inserting “408(d)(3), 408(d)(3), and 457(e)(16)”.

Section 215(a)(2) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

Section 401(a)(31)(B) is amended by striking “and 408(a), 408(b), and 457(e)(15)”.

Subparagraph (A) of section 402(f)(2) is amended by striking “or paragraph (4) of section 402(c)” and inserting “section 403(a)(1), (Section 403(b)(8), or subparagraph (A) of section 457(e)(16)”.

Paragraph (1) of section 402(f)(2) is amended by striking “from an eligible retirement plan”.

Paragraphs (A) and (B) of section 402(f)(2) are amended by striking “from another eligible retirement plan” and inserting “an eligible retirement plan”.

Paragraph (B) of section 402(f)(3) is amended by striking “or 408(d)(8)” and inserting “408(d)(8), or 457(e)(16)”.

Subparagraphs (A) and (B) of section 415(b)(2) are each amended by striking “and 408(d)(8)” and inserting “408(d)(8), 408(d)(3), and 457(e)(16)”.

Section 415(c)(2) is amended by striking “and 408(d)(3)” and inserting “408(d)(3), and 408(d)(3)”.

Section 473(b)(1)(A) is amended by striking “or 408(d)(3)” and inserting “408(d)(3), or 457(e)(16)”.

Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) Special Rule.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in section 402(c)(8)(B)) of the Internal Revenue Code of 1986) on behalf of an individual if there was a rollover to such plan on behalf of such individual which is permitted solely by reason of the amendments made by this section.

SEC. 403. ROYALCOVERS OF AFTER-TAX CONTRIBUTIONS.

(a) Rollovers From Exempt Trusts.—Paragraph (2) of section 402(c) (relating to maximum amount which may be rolled over) is amended by adding at the end the following:

“The preceding sentence shall not apply to such distribution to the extent—

(A) such portion is transferred in a direct trustee-to-trustee transfer to a qualified trust which is part of a plan which is a defined contribution plan and which agrees to separately account for amounts so transferred and accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible, or

(B) such portion is transferred to an eligible retirement plan described in clause (i) or (ii) of paragraph (B).”

(b) Optional Direct Transfer of Eligible Rollover Distributions.—Subparagraph (B) of section 402(c)(3) (relating to a rollover contribution is made to an individual retirement plan) is amended by striking “section 402(c)(8)” and inserting “section 402(c)(8)(B).”

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 405. TREATMENT OF FORMS OF DISTRIBUTION.

(a) Plan Transfers.—Amendment of Internal Revenue Code.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

“(D) Plan Transfers.—

(1) In General.—A defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

(i) is an eligible retirement plan,

(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).”

(b) Rules for Applying Section 72 to IRAs.—Paragraph (3) of section 402(d) (relating to special rules for applying section 72) is amended by inserting at the end the following:

“(E) Application of section 72—

(1) In general.—Forms of distribution previously available under the transferor plan applied to the account of a participant or beneficiary for rollover treatment) is amended by striking “and” at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting “, and”, and by adding at the end the following:

(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received after the date on which the payment or distribution is received.

For purposes of clause (ii), the term ‘eligible retirement plan’ means an eligible retirement plan described in clause (i), (iv), (v), or (vi) of section 402(c)(8)(B).”

Conforming Amendments.—(1) Paragraph (1) of section 401(a)(31) is amended by striking “section 408(d)(3)(A)(ii)” and inserting “section 408(d)(3)(A)(ii)”.

(2) Clause (i) of section 408(d)(3)(D) is amended by adding “(i), (ii), (III), or clause (ii)’’ and inserting “(i) or (ii)”.

(3) Subparagraph (G) of section 408(d)(3) is amended to read as follows:

“(G) SIMPLE RETIREMENT ACCOUNTS.—In the case of any payment or distribution out of a simple retirement account (as defined in subsection (p)) to which section 72(c)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.”

(e) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

(2) Special Rule.—Notwithstanding any other provision of law, subsections (h)(3) and (h)(5) of section 1122 of the Tax Reform Act of 1986 shall not apply to any distribution from an eligible retirement plan (as defined in subsection (p)) to which section 72(c)(6) applies, this paragraph shall not apply unless such payment or distribution is paid into another simple retirement account.”

(f) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 404. HARDSHIP EXCEPTION TO 60-DAY RULE.

(a) Exempt Trusts.—Paragraph (3) of section 402(c) (relating to transfer must be made within 60 days of receipt) is amended to read as follows:

“(3) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.”

(b) General.—Except as provided in subparagraph (B), paragraph (1) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

(2) HARDSHIP EXCEPTION.—The Secretary may waive the 60-day requirement under subparagraph (A) when the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.

SEC. 405. TREATMENT OF FORMS OF DISTRIBUTION.

(a) Plan Transfers.—Amendment of Internal Revenue Code.—Paragraph (6) of section 411(d) (relating to accrued benefit not to be decreased by amendment) is amended by adding at the end the following:

“(D) Plan Transfers.—

(1) In General.—A defined contribution plan (in this subparagraph referred to as the ‘transferor plan’) to the extent that—

(i) is an eligible retirement plan,

(ii) is an eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B).”

(b) Rules for Applying Section 72 to IRAs.—Paragraph (3) of section 402(d) (relating to rollover contributions), as amended by section 403, is amended by adding after subparagraph (H) the following new subparagraph:

“(1) WAIVER OF 60-DAY REQUIREMENT.—The Secretary may waive the 60-day requirement under subparagraphs (A) and (B) where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement.”

(c) Effective Date.—The amendments made by this section shall apply to distributions after December 31, 2001.
under the transferor plan that was transferred from the transferor plan to the transferee plan pursuant to a direct transfer rather than pursuant to a distribution from the transferor plan.

"(II) the terms of both the transferor plan and the transferee plan authorize the transfer described in subclause (I) was made pursuant to a voluntary election by the participant or beneficiary whose account was transferred to the transferee plan.

"(IV) the election described in subclause (III) was made after the participant or beneficiary received a notice describing the consequences of making the election, and

"(V) the transferee plan allows the participant or beneficiary described in clause (iii) to receive any distribution to which the participant or beneficiary described in clause (i) is entitled.

(3) SECURITIES DIRECTED.—Not later than December 31, 2002, the Secretary of the Treasury is directed to issue regulations under section 401(d)(6) of the Internal Revenue Code of 1986, including the regulations required by the amendment made by this section, such regulations shall apply to plan years beginning after December 31, 2002, or such earlier date as is specified by the Secretary of the Treasury.

SEC. 406. RATIONALIZATION OF RESTRICTIONS ON DISTRIBUTIONS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

"(1) SECTION 402(b)(7).—Subparagraph (B)(i)(I) of section 402(b)(7) (relating to qualified current or deferred arrangements) is amended by inserting "separation from service" and inserting "severance from employment".

"(2) SECTION 401(k)(10).—Subparagraph (A) of section 401(k)(10) (relating to distributions upon termination of plan or disposition of assets) is amended by striking "the event" in clause (i) and inserting "the transfer described in subclause (II)", and paragraph (4)(A) is amended to read as follows:

"(A) Section 401(k)(2)(B)(i)(I) (relating to required qualified current or deferred arrangements) is amended by inserting "the termination"; and

"(B) Section 401(k)(2)(B)(ii) (relating to distributions upon termination of plan or disposition of assets) is amended by striking "the event described in clause (i) and inserting "the transfer described in subclause (II)".

Sec. 407. PURCHASE OF SERVICE CREDIT IN GOVERNMENTAL PLANS.

(a) MODIFICATION OF SAME DESK EXCEPTION.—

"(1) SECTION 403(b)(8), 408(d)(3)(A)(ii), and 457(e)(16) of the Internal Revenue Code of 1986 are each amended by striking "separates from service" and inserting "has a severance from employment".

"(2) SECTION 403(b)(10).—Subparagraph (A) of section 403(b)(10) (relating to distributions in connection with a direct trustee-to-trustee transfer) is amended by striking "the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))".

"(3) SECTION 409. MIND DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 401 PLANS.—Clause (i) of section 409(e)(9)(A) is amended by striking "separates from service" and inserting "has a severance from employment".

"(4) SECTION 405. DISABILITY.—Subsection (e) of section 405(b) (relating to determinations of benefits attributable to different employers within a multiple employer plan) is amended by striking "the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))".

SEC. 408. EMPLOYERS MAY DISREGARD ROLL-OVERS FOR PURPOSES OF CASH-OUT AMOUNTS.

(a) QUALIFIED PLANS.—

"(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 411(a) of the Internal Revenue Code of 1986 (relating to distribution restrictions on certain mandatory distributions) is amended by adding at the end the following:

"(2) SECTION 403(b).—Subsection (e) of section 403(b) is amended by striking paragraphs (2)(B), (3)(A)(ii), and (4)(C) and inserting the following:

"(3) SECTION 404. CONTRIBUTIONS.—Subsection (f) of section 404 is amended by striking paragraphs (2)(B) and (4)(C) and inserting the following:

Sec. 409. MINIMUM DISTRIBUTION AND INCLUSION REQUIREMENTS FOR SECTION 401 PLANS.

(a) MINIMUM DISTRIBUTION REQUIREMENTS.—Subsection (2) of section 401(d) (relating to distribution requirements) is amended by striking "the portion of such amount which is not attributable to rollover contributions (as defined in section 411(a)(11)(D))".

"(b) INCLUSION IN GROSS INCOME.—

"(1) YEAR OF INCLUSION.—Subsection (a) of section 401(a)(9) (relating to inclusion in gross income) is amended by adding at the end the following:

"(2) MINIMUM DISTRIBUTION REQUIREMENTS.—A plan meets the minimum distribution requirements of this section if it meets the requirements of section 401(a)(9)."
“(1) IN GENERAL.—Any amount of compensation deferred under an eligible deferred compensation plan, and any income attributable to the amounts so deferred, shall be includible in gross income only for the taxable year in which such compensation or other income—

“(A) is paid to the participant or other beneficiary in the case of a plan of an eligible employer described in subsection (e)(1)(A), and

“(B) is paid or otherwise made available to the participant or other beneficiary in the case of a plan of an eligible employer described in subsection (e)(1)(B).

“(2) RULE FOR ROLL-OVER AMOUNTS.—To the extent provided in section 72(t)(9), section 72(t) shall apply to any amount includible in gross income under this subsection.

(2) CONFORMING AMENDMENTS.—

(A) So much of paragraph (9) of section 457(e) as precedes subparagraph (A) is amended to read as follows:

“(9) BENEFITS OF TAX EXEMPT ORGANIZATION PLANS NOT TREATED AS MADE AVAILABLE BY REASON OF CERTAIN ELECTIONS, ETC.—In the case of an eligible deferred compensation plan of an employer described in subsection (e)(1)(A) shall apply to distributions after December 31, 2001.

(b) Paragraph (d) of section 457(b) is amended by adding at the end the following new paragraph:

“(3) SPECIAL RULE FOR GOVERNMENT PLAN.—An eligible deferred compensation plan of an employer described in subsection (e)(1)(B) shall apply to distributions after December 31, 2001.

(c) MODIFICATION OF TRANSITION RULES FOR EXISTING 457 PLANS.—

(1) IN GENERAL.—Section 1107(c)(3)(B) of the Tax Reform Act of 1986 is amended by striking “or” at the end of clause (i), by striking the period at the end of clause (ii) and inserting “;” and by inserting after clause (ii) the following new clause:

“(iii) deferred pursuant to an agreement with an individual covered by an agreement described in clause (ii), to the extent the annual amount under such agreement with the individual does not exceed—

“(1) the amount described in clause (ii)(I), multiplied by the aggregate increase in the Consumer Price Index (as published by the Bureau of Labor Statistics of the Department of Labor) determined without regard to subparagraph (A) for the twelve-month period ending on the last day of the calendar month following the calendar month in which the plan year begins; and

“(2) the amount described in clause (ii)(II), multiplied by the excess of 6 percent of compensation (within the meaning of section 401(a)(17)) for the taxable year which is in excess of the lesser of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 401(a)(17)) paid or accrued during the taxable year for which the contributions were made to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), and

“(ii) the amount of contributions described in section 402(c)(3)(A).

For purposes of this subparagraph, the deductible limits under section 401(a)(7) shall be determined without regard to section 401(a)(7) to the extent that such contributions exceed the federal funding limits of section 412(c)(7), determined without regard to subparagraph (B).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

SECT. 503. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL TYPES OF PLANS.

(a) IN GENERAL.—Subsection (d) of section 404(a)(1) (relating to non deductible contributions) is amended by adding at the end the following new paragraph:

“(7) DEFINED BENEFIT PLAN EXCEPTION.—In determining the amount of contributions made to a defined benefit plan exempt from the excess contributions exceed the federal funding limits of section 412(c)(7), determined without regard to subparagraph (B).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plans beginning after December 31, 2001.

SECT. 504. TREATMENT OF MULTIEmployer PLANS UNDER SECTION 415.

(a) COMPENSATION LIMIT.—

(1) IN GENERAL.—Paragraph (11) of section 415(b) (relating to limitation for defined benefit plans) is amended by adding at the end the following new clause:

“(11) SPECIAL LIMITATION RULE FOR GOVERNMENTAL AND MULTIEmployer PLANS.—In the case of a governmental plan (as defined in section 414(q)(1)) or a multiemployer plan (as defined in section 414(q)(1)) (relating to benefits under certain collectively bargained plans) is amended by inserting “other than a multiemployer plan” after “defined benefit plan” in the matter preceding subparagraph (A) plus

(b) COMBINING AND AGGREGATION OF PLANS.—

(1) COMBINING OF PLANS.—Subsection (f) of section 415 (relating to nonaggregation of plans) is amended by adding at the end the following:

“(3) EXCEPTION FOR MULTIEmployER PLANS.—Notwithstanding paragraph (1) and subsection (g), a multiemployer plan as defined in section 414(f) shall not be combined or aggregated with any other plan maintained by an employer for purposes of applying subsection (b)(1)(B) to such plan or any other such plan.”.

(2) CONFORMING AMENDMENT.—Subsection (g) of section 415 is amended by adding at the end the following:

“(1) IN GENERAL.—Subsection (b) of section 415 (relating to nonaggregation of plans) is amended by striking “The Secretary” and inserting “Except as provided in subsection (f)(3), the Secretary”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2001.

TITLES II THROUGH VII REGULATING PENSION SECURITY AND ENFORCEMENT

Subtitle A—General Provisions

SEC. 501. REPEAL OF 15 PERCENT OF CURRENT LIABILITY FUNDING LIMIT.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 422(c)(7) (relating to funding limitation) is amended—

(1) by striking “the applicable percentage” in subparagraph (A)(i)(I) and inserting “the applicable plan year beginning percentage”;

(2) by amending subparagraph (F) to read as follows:

“(F) APPLICABLE PERCENTAGE.—For purposes of subparagraph (A)(i)(I), the applicable plan year beginning percentage shall be determined in accordance with the following table:

<table>
<thead>
<tr>
<th>Plan Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>160</td>
</tr>
<tr>
<td>2003</td>
<td>165</td>
</tr>
<tr>
<td>2004</td>
<td>170</td>
</tr>
</tbody>
</table>

(3) CONFORMING AMENDMENT.—In paragraph (1)(B), substitute “2004” for “2003”.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

“(6) EXCEPTIONS.—In determining the amount of contributions made to a plan, the contributions for any taxable year, shall not be taken into account so much of the contributions to one or more defined contribution plans which are in excess of the lesser of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 401(a)(17)) paid or accrued during the taxable year for which the contributions were made to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), and

“(ii) the amount of contributions described in section 402(c)(3)(A).

For purposes of this subparagraph, the deductible limits under section 401(a)(7) shall be determined without regard to section 401(a)(7) to the extent that such contributions exceed the federal funding limits of section 412(c)(7), determined without regard to subparagraph (B).”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.
SEC. 505. PROTECTION OF INVESTMENT OF EMPLOYEE CONTRIBUTIONS TO 401(K) PLANS.

(a) In General.—Section 1524(b) of the Taxpayer Relief Act of 1997 is amended to read as follows:

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gives the holder the right to acquire or receive stock of the S corporation in the future. Except to the extent provided in regulations, synthetic equity also includes a stock or other security of a phantom stock unit, or similar right to a future cash payment based on the value of such stock or appreciation in such value.

(7) LIMITATION.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.

(b) COORDINATION WITH SECTION 4075A(e)(7).—The last sentence of section 4975(e)(7) (defining employee stock ownership plan) is amended by inserting ‘‘, section 404(p),’’ after ‘‘409(m)’’.

(c) EXCISE TAX.—

(1) APPLICABILITY OF TAX.—Subsection (a) of section 404(p) (relating to tax on prohibited allocations of employer securities) is amended—

(A) by striking ‘‘or’’ at the end of paragraph (1), and

(B) by striking all that follows paragraph (2) and inserting the following:

‘‘(3) or (4) of subsection (a) shall not expire before the date which is 3 years from the later of—

‘‘(i) the allocation or ownership referred to in such paragraph giving rise to such tax, or

(ii) the date on which the Secretary is notified of such allocation or ownership.’’.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2002.

(2) EXCISE TAX.—In the case of any—

(A) employee stock ownership plan established after July 11, 2000, or

(B) employee stock ownership plan established on or before such date if employer securities held by the plan consist of stock in a corporation with respect to which an election under section 421(b) of the Internal Revenue Code of 1986 is not in effect on such date,

the amendments made by this section shall apply to plan years beginning after July 11, 2000.

SEC. 508. AUTOMATIC ROLLOVERS OF CERTAIN MANDATORY DISTRIBUTIONS.

(a) DIRECT TRANSFERS OF MANDATORY DISTRIBUTIONS.

(1) IN GENERAL.—Section 401(a)(31)(C), as redesignated by section 404(p), is amended by inserting ‘‘or’’ after the colon in the last sentence of subparagraph (C), and by inserting ‘‘or’’ after ‘‘a distribution described in clause (ii) in excess of the amount described in subparagraph (A) and does not elect to receive the distribution directly, the plan administrator shall make such transfer without cost or penalty to another individual account or annuity of a designated trustee or issuer and shall notify the distributee in writing (either separately or as part of the notice under section 402(f)) that the distribution may be transferred without cost or penalty to another individual account or annuity.’’.

(b) CERTAIN MANDATORY DISTRIBUTIONS.

(1) IN GENERAL.—In case of a trust which is part of an eligible plan, such trust shall not constitute a qualified trust under this section unless the plan of which such trust is part of an eligible plan, such trust shall be treated as a qualified trust for purposes of section 408(p).

(c) FIDUCIARY RULES.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new section:

‘‘(3) TRUST BENEFITS.—In the case of any plan which makes a transfer to an individual retirement account or annuity of a designated trustee or issuer under section 401(a)(31)(B) of the Internal Revenue Code of 1986, the participant or beneficiary shall, for purposes of paragraph (1), be treated as exercising control over the assets in the account or annuity upon the earlier of—

(A) a rollover of all or a portion of the amount to another individual retirement account or annuity; or

(B) one year after the transfer is made.’’.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2001.

Subtitle B—Treatment of Plan Amendments Reducing Future Benefit Accruals

SEC. 521. NOTICE REQUIRED FOR PENSION PLAN AMENDMENTS HAVING THE EFFECT OF REDUCING FUTURE BENEFIT ACCRUALS.

(a) EXCISE TAX.—In general.—Chapter 43 (relating to qualified pension, etc., plans) is amended by adding at the end the following new section:

‘‘SEC. 4980F. FAILURE TO PROVIDE NOTICE OF PLAN CHANGES REDUCING BENEFIT ACCRUALS.

‘‘(a) IMPOSITION OF TAX.—There is hereby imposed a tax on the failure of an applicable pension plan to meet the requirements of subsection (e) with respect to any applicable individual.

‘‘(1) AMOUNT OF TAX.—

(A) IN GENERAL.—The amount of the tax imposed by subsection (a) on any failure with respect to any applicable individual during any period which begins on the date of a noncompliance period with respect to such failure.

(B) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for the tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e), and

(C) LIMITATIONS ON AMOUNT OF TAX.—

‘‘(1) TAX NOT TO APPLY WHERE FAILURE NOT DISCOVERED AND REASONABLE DILIGENCE EXERCISED.—No tax shall be imposed by subsection (a) on any failure during any period for which it is established to the satisfaction of the Secretary that any person subject to liability for the tax under subsection (d) did not know that the failure existed and exercised reasonable diligence to meet the requirements of subsection (e).

‘‘(2) TAX NOT TO APPLY TO FAILURES CORRECTED WITHIN 30 DAYS.—No tax shall be imposed by subsection (a) on any failure if—

(A) any person subject to liability for the tax under subsection (d) exercised reasonable diligence to meet the requirements of subsection (e), and

(B) such person provides the notice described in subsection (e) during the 30-day period beginning on the first date such person knew, or exercising reasonable diligence would have known, that such failure existed.

‘‘(3) OVERALL LIMITATION FOR UNINTENTIONAL FAILURES.—

(A) IN GENERAL.—If the person subject to liability for tax under subsection (d) exercises reasonable diligence to meet the requirements of subsection (e), the tax imposed by subsection (a) for failures during the tax year of the employer (or, in the case of a multiemployer plan, the taxable year of the plan) which the failure would have known, that such failure existed.

(B) TAXABLE YEARS IN THE CASE OF CERTAIN MANDATORY DISTRIBUTIONS.—

‘‘(B) such person provides the notice described in subsection (e) during the 30-day period beginning on the first date such person knew, or exercising reasonable diligence would have known, that such failure existed.

(C) FIDUCIARY RULES.—Section 404(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)) is amended by adding at the end the following new section:

‘‘(3) TRUST BENEFITS.—In the case of any plan which makes a transfer to an individual retirement account or annuity of a designated trustee or issuer under section 401(a)(31)(B) of the Internal Revenue Code of 1986, the participant or beneficiary shall, for purposes of paragraph (1), be treated as exercising control over the assets in the account or annuity upon the earlier of—

(A) a rollover of all or a portion of the amount to another individual retirement account or annuity; or

(B) one year after the transfer is made.’’.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2001.

Subtitle B—Treatment of Plan Amendments Reducing Future Benefit Accruals
“(4) WAIVER BY SECRETARY.—In the case of a failure which is due to reasonable cause and not to willful neglect, the Secretary may waive part or all of the tax imposed by subsection (a) if, with respect to the plan administrator, it appears that the failure was not the result of willful neglect. Such waiver shall be made in the discretion of the Secretary.

(5) LIABILITY FOR TAX.—The following shall be liable for the tax imposed by subsection (a):

(1) In the case of a plan other than a multiemployer plan, the employer.

(2) In the case of a multiemployer plan, the plan.

(e) NOTICE REQUIREMENTS FOR PLAN AMENDMENTS SIGNIFICANTLY REDUCING BENEFIT ACCRUALS.—

“(1) IN GENERAL.—If the sponsor of an applicable pension plan adopts an amendment which has the effect of significantly reducing the rate of future benefit accrual of 1 or more participants, the plan administrator shall, not later than the 45th day before the effective date of the amendment, provide written notice to each applicable individual (and to each employee organization representing applicable individuals) which—

(A) sets forth a summary of the plan amendment and the effective date of the amendment.

(B) includes a statement that the plan amendment is expected to significantly reduce the rate of future benefit accrual.

(C) includes a description of the classes of employees reasonably expected to be affected by the reduction in the rate of future benefit accrual.

(D) sets forth examples illustrating how the plan will change benefits for such classes of employees.

(E) if paragraph (2) applies to the plan amendment, includes a notice that the plan administrator will provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual no later than the date on which notice under paragraph (4)(A) is provided.

(F) includes a notice of each applicable individual’s right under Federal law to receive, and of the procedures for requesting, an annual benefit statement.

“(2) REQUIREMENT TO PROVIDE BENEFIT ESTIMATION TOOL KIT.—

(A) In GENERAL.—If a plan amendment results in plan reductions of the plan benefit formula (as determined under regulations prescribed by the Secretary), the plan administrator shall, not later than the 15th day before the effective date of the amendment, provide a benefit estimation tool kit described in paragraph (2)(B) to each applicable individual.

(B) PROVISION OF BENEFIT ESTIMATION TOOL KIT.—The benefit estimation tool kit described in paragraph (2)(B) shall include—

(i) the benefits to which they would have been entitled without regard to such amendment, or

(ii) the benefits under the plan with regard to such amendment.
(B) For purposes of subparagraph (A), there is a failure to exercise due diligence in meeting the requirements of this subsection if such failure is within the control of the plan and results from—

(i) an intentional failure (including any failure to promptly provide the required notice or information after the plan administrator has knowledge of such failure or to meet the requirements of this subsection),

(ii) a failure to provide most of the individuals with most of the information they are entitled to receive under this subsection, or

(iii) a failure to exercise due diligence which is determined under regulations prescribed by the Secretary, to meet the requirements of this subsection.

(C) For excise tax on failure to meet requirements, see section 4980F of the Internal Revenue Code of 1986.

(5)(A) For purposes of this subsection, the term ‘applicable individual’ means, with respect to any plan amendment—

(i) each participant in the plan, and

(ii) any beneficiary who is an alternate payee (within the meaning of section 206(d)(3)(K)) under an applicable qualified domestic relations order (within the meaning of section 206(d)(3)(B)), whose rate of future benefit accrual under the plan may reasonably be expected to be significantly reduced by such plan amendment.

(B) Such term shall not include a participant who has less than 1 year of participa-
tion (within the meaning of subsection (b)(4)) under the plan as of the effective date of the plan amendment.

(6) For purposes of this subsection, the term ‘applicable pension plan’ means—

(A) a defined benefit plan, or

(B) an individual account plan which is subject to the funding standards of section 302.

(7) For purposes of this subsection, a plan amendment which eliminates or signifi-
cantly reduces any early retirement benefit or retirement-type subsidy (within the meaning of section 204(g)(2)(A)) shall be treated as having the effect of significantly reducing the rate of future benefit accrual.

(8) The Secretary of the Treasury may by regulation allow any notice under this subsection to be provided by using new technolo-
gies, which will reduce or eliminate the cost of providing such notice. The Secretary may, at least once a year, update any such regulations to reflect new capabilities.

(c) PLANNING FOR EARLY RETIREMENT SUBSIDIES.—The Secretary of the Treasury or the Secretary’s delegate shall, not later than 1 year after the date of the enactment of this Act, issue regulations relating to early retirement benefits or retire-

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan amendments taking effect on or after the date of the enactment of this Act.

(2) TRANSITION.—Until such time as the Secretary of the Treasury issues regulations under section 4980F(e)(2) of the Internal Revenue Code of 1986 and section 204(h)(2) of the Employee Retirement Income Security Act of 1974 (as added by the amendments made by this section), a plan shall be treated as meeting the requirements of such sections if it makes a good faith effort to comply with such requirements.

(3) SPECIAL NOTICE RULES.—The period for providing any notice required by the amend-
ments to this section shall not end before the date which is 3 months after the date of the enactment of this Act.

(d) STUDY.—The Secretary of the Treasury shall prepare a report on the effects of sig-
ificant restructurings of plan benefit formulas of traditional defined benefit plans. Such report shall include the effects of such restructurings on longer service partici-
pants, including the incidence and effects of ‘wear away’ which participants earn no additional benefits for a period of time after restructuring. As soon as practi-
cable, but not later than one year after the date of enactment of this Act, the Secretary shall submit such report, together with rec-
ommendations thereon, to the Committee on Ways and Means of the Senate, to the House of Representatives and the Committee on Fi-
nance and the Committee on Edu-
cation, Labor, and Pensions of the Senate.

TITLE VI—REDUCING REGULATORY BURDENS

SEC. 601. MODIFICATION OF TIMING OF PLAN VALUATIONS.

(a) IN GENERAL.—Paragraph (9) of section 412(c) (relating to annual valuation) is amended to read as follows:

‘‘(9) ANNUAL VALUATION.—

‘‘(A) In general.—For purposes of this section, a determination of experience gains and losses and a valuation of the plan’s liability shall be made not less frequently than once every year, except that determinations prescribed by the Secretary.

‘‘(B) VALUATION DATE.—

‘‘(i) CURRENT YEAR.—Except as provided in clause (ii), the valuation referred to in sub-
paragraph (A) shall be made as of a date within the plan year to which the valuation refers or within one month prior to the be-

inning of such year.

‘‘(ii) ELECTRICAL TO USE PRIOR YEAR VALU-

ATION.—The valuation referred to in subpara-
graph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

(I) an election is in effect under this clause with respect to the plan, and

(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan’s current liability (as defined in paragraph (7)(B)).

‘‘(iii) ADJUSTMENTS.—Information under clause (ii) shall be in accordance with regulations, be actuarially adjusted to reflect signif-
ificant differences in participants.

‘‘(iv) ELECTION TO USE PRIOR YEAR VALU-

ATION.—An election under clause (ii), once made, shall be irrevocable without the consent of the Secretary.’’.

(b) AMENDMENT OF ERISA.—Paragraph (9) of section 404(d) of ERISA shall be amended by—

(1) by inserting ''(A)'' after ''(9)'' and by inserting after such paragraph the following:

‘‘(B) Except as provided in clause (ii), the valuation referred to in subparagraph (A) may be made as of a date within the plan year to which the valuation refers or within one month prior to the beginning of such year.

(c) MODIFICATION OF TIMING OF PLAN VALUATIONS.—The valuation referred to in subpara-

graph (A) may be made as of a date within the plan year prior to the year to which the valuation refers if—

(I) an election is in effect under this clause with respect to the plan, and

(II) as of such date, the value of the assets of the plan are not less than 125 percent of the plan’s current liability (as defined in paragraph (7)(B)).

(d) EFFECTIVE DATES.—The amendments made by this Act shall be made without loss of dividend de-

(2) T RANSITION.—Until such time as the

(a) IN GENERAL.—Paragraph (4) of section 114(c) of the Tax Reform Act of 1986 is here-

repealed.

(b) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 602. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DE-

(a) IN GENERAL.—Section 404(k)(2)(A) (de-

(b) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 603. REPEAL OF TRANSITION RULE RELAT-

(a) IN GENERAL.—Section 404(k)(2)(A) (de-

(b) EFFECTIVE DATES.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 604. EMPLOYEES OF TAX-EXEMPT ENTITIES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify Treasury Regulations section 1.401(b)-8(c) to provide that employees of an organization described in section 403(b)(1)(A)(i) of the Internal Revenue Code of 1986 who are eligible to make contribu-
tions under section 403(b) of such Code pursuant to a salary reduction agreement may be treated as allowable contributions under section 401(k) of such Code pursuant to a salary reduction agreement may be treated as allowable contributions under section 401(k) of such Code.

(2) no employee of an organization described in section 403(b) of such Code is eligible to participate in such section 401(k) plan or section 401(m) plan; and

(3) 95 percent of the employees who are not eligible to make contributions described in section 403(b)(1)(A)(i) of such Code are eligible to participate in such plan under such section 401(k) or (m).

(b) EFFECTIVE DATES.—The modification re-

(a) IN GENERAL.—Paragraph (a) of section 1325 relating to excise tax in respect of a plan described in section 409A(a) thereof is amended by striking “or” at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting “; or”, and by adding at the end the following new para-

‘‘(7) qualified retirement planning services.

SEC. 605. RECLASSIFICATION OF TREATMENT OF EMP-

(a) IN GENERAL.—Section 1325 relating to excise tax in respect of a plan described in section 409A(a) thereof is amended by striking “or” at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting “; or”, and by adding at the end the following new para-

‘‘(7) qualified retirement planning services.

SEC. 606. QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 1325 is amended by re-

designating subsection (m) as subsection (n) and by inserting after subsection (i) the fol-

SEC. 607. QUALIFIED RETIREMENT PLANNING SERVICES.

(a) IN GENERAL.—For purposes of this sec-

(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compen-

(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compen-

(a) IN GENERAL.—Subsection (a)(7) relating to excise tax in respect of a plan described in section 409A(a) thereof is amended by striking “or” at the end of paragraph (5), by striking the period at the end of paragraph (6) and inserting “; or”, and by adding at the end the following new para-

‘‘(7) qualified retirement planning services.

SEC. 608. QUALIFIED RETIREMENT PLANNING SERVICES.

(a) IN GENERAL.—For purposes of this sec-

(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compen-

(2) NONDISCRIMINATION RULE.—Subsection (a)(7) shall apply in the case of highly compen-

SEC. 602. ESOP DIVIDENDS MAY BE REINVESTED WITHOUT LOSS OF DIVIDEND DE-

SEC. 603. REPEAL OF TRANSITION RULE RELAT-

SEC. 604. EMPLOYEES OF TAX-EXEMPT ENTITIES.

SEC. 605. RECLASSIFICATION OF TREATMENT OF EMP-

SEC. 606. QUALIFIED RETIREMENT PLANNING SERVICES DEFINED.—Section 1325 is amended by re-

designating subsection (m) as subsection (n) and by inserting after subsection (i) the fol-

SEC. 607. QUALIFIED RETIREMENT PLANNING SERVICES.

SEC. 608. QUALIFIED RETIREMENT PLANNING SERVICES.
REGULATIONS.—The Secretary shall, on or before December 31, 2001, modify the existing regulations under section 410(b)(1) of the Internal Revenue Code of 1986, to include a provision to provide for a 180-day period for furnishers (or their agents or instrumentality thereof) to provide the information (as determined in accordance with regulations prescribed by the Secretary) that is necessary to prevent the imposition of any tax, penalty, or sanction on any person, including the furnishing of such information to any person who furnishes such information to the Secretary.

SEC. 607. IMPROVEMENT OF EMPLOYEE PLANS COMPLIANCE RESOLUTION SYSTEM.

The Secretary of the Treasury shall continue to update and improve the Employee Plans Compliance Resolution System (or any successor program) giving special attention to:

(1) increasing the awareness and knowledge of small employers concerning the availability and use of the program;

(2) taking into account special concerns and circumstances that small employers face with respect to compliance and correction of compliance failures;

(3) extending the duration of the self-correction period under the Administrative Policy Regarding Self-Correction for significant compliance failures;

(4) expanding the availability to correct insignificant compliance failures under the Administrative Policy Regarding Self-Correction during audit; and

(5) assuring that any tax, penalty, or sanction that is imposed by reason of a compliance failure is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

SEC. 608. REPEAL OF THE MULTIPLE USE TEST.

(a) In General.—Paragraph (9) of section 401(m) is amended to read as follows:

"(9) R EGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection and subsection (k), including regulations permitting appropriate aggregation of plans and contributions.."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 609. FLEXIBILITY IN NONDISCRIMINATION, CONTRIBUTION, AND LINE OF BUSINESS RULES.

(a) NONDISCRIMINATION.—

(1) IN GENERAL.—The Secretary of the Treasury shall prescribe regulations, that provide that a plan shall be deemed to satisfy the requirements of section 401(a)(4) of the Internal Revenue Code of 1986 if such plan satisfies the facts and circumstances test under section 401(a)(4) of such Code, as in effect before January 1, 1994, but only if—

(A) the plan satisfies conditions prescribed by the Secretary that appropriately limit the availability of such test; and

(B) the plan is submitted to the Secretary for a determination of whether it satisfies such test.

Subparagraph (B) shall only apply to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) REGULATIONS.—The regulation required by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under paragraph (1)(A) shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) DISCLOSURE OF OPTIONAL FORMS OF BENEFITS.—

(1) IN GENERAL.—The Secretary shall prescribe regulations that appropriately limit the availability of the subparagraph.

Clause (d) shall apply only to the extent provided by the Secretary.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The regulations made by paragraph (1) shall apply to years beginning after December 31, 2001.

(B) CONDITIONS OF AVAILABILITY.—Any condition of availability prescribed by the Secretary under regulations prescribed by the Secretary under section 410(b)(1)(D) of the Internal Revenue Code of 1986 shall not apply before the first year beginning not less than 120 days after the date on which such condition is prescribed.

(c) LINE OF BUSINESS RULES.—The Secretary of the Treasury shall, on or before December 31, 2001, modify the existing regulations under section 410(b)(1) of the Internal Revenue Code of 1986 to ensure that the facts and circumstances test under section 410(b)(1) of the Code, as in effect before January 1, 1994, is inapplicable to the extent that the Secretary determines appropriate.

(2) MODIFICATION OF REGULATIONS.—The Secretary of the Treasury shall, on or before December 31, 2001, modify the existing regulations under section 410(b)(1) of the Internal Revenue Code of 1986 to ensure that the facts and circumstances test under section 410(b)(1) of the Code, as in effect before January 1, 1994, is inapplicable to the extent that the Secretary determines appropriate.

(3) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 611. NOTICE AND CONSENT PERIOD REGARDING DISTRIBUTIONS.

(a) EXPANSION OF PERIOD.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—

(A) IN GENERAL.—Subparagraph (A) of section 417(a)(6) is amended by striking “90-day” and inserting “180-day”.

(B) EFFECTIVE DATE.—The amendments made by paragraph (1)(A) and the modifications required by paragraph (1)(B) shall apply to years beginning after December 31, 2001.

(b) CONSENT REGULATION INAPPLICABLE TO CERTAIN DISTRIBUTIONS.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11), and 417 of the Internal Revenue Code of 1986 to substitute “180 days” for “90 days” each place it appears in Treasury Regulations sections 1.402(f)-1, 1.411(a)-1(c), and 1.417(e)-1.

(c) AMENDMENT OF ERISA.—Section 206(c)(7) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(7)) is amended by striking “90-day” and inserting “180-day”.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) and the modifications required by paragraph (1)(B) shall apply to years beginning after December 31, 2001.

SEC. 612. AMENDMENT INAPPLICABLE TO CERTAIN PLANS.

(a) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 411(a)(11) of the Internal Revenue Code of 1986 to provide for the protection of a participant’s right, if any, to defer receipt of a distribution shall also describe the consequences of failing to defer such receipt.

(b) EFFECTIVE DATE.—The modifications required by paragraph (1) shall apply to years beginning after December 31, 2001.

(c) DISCLOSURE OF OPTIONAL FORMS OF BENEFITS.—

(1) AMENDMENT OF INTERNAL REVENUE CODE.—Section 417(a)(3) (relating to plan to provide written explanation) is amended by adding at the end the following:

“(C) EXPLANATION OF OPTIONAL FORMS OF BENEFITS.—

(1) IN GENERAL.—If—

(A) the plan provides optional forms of benefits, and

(II) the present values of such forms of benefits are not actuarially equivalent as of the anniversary date of the plan, then each written explanation required to be provided under subparagraph (A) shall include the information described in clause (i); and

(II) INFORMATION.—A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by
the plan and the effect the participant’s election as to the form of benefit will have on the value of the benefits available under the plan. Any such information shall be provided in a manner calculated to be reasonably understood by the average plan participant.”

(2) AMENDMENT OF ERISA.—Section 205(c)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(3)) is amended by adding at the end the following:

“(C)(i) In general.—(I) a plan provides optional forms of benefits, and

“(II) the present values of such forms of benefits are not actuarily equivalent as of the annuity starting date,

then such plan shall include the information described in clause (i) with each written explanation required to be provided under subparagraph (A).

“(ii) A plan to which this subparagraph applies shall include sufficient information (as determined in accordance with regulations prescribed by the Secretary of the Treasury) to allow the participant to understand the differences in the present values of the optional forms of benefits provided by the plan and the effect the participant’s election as to the form of benefit will have on the value of the benefits available under the plan. Such information shall be provided in a manner calculated to be reasonably understood by the average plan participant.

(3) TECHNICAL AND OTHER CORRECTIONS.—The amendments made by this section shall apply to years beginning after December 31, 2001.

SEC. 612. ANNUAL REPORT DISSEMINATION.

(a) IN GENERAL.—Section 104(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1034(b)(3)) is amended by striking “shall furnish” and inserting “shall make available for examination (and, upon request, shall furnish)”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning after December 31, 2000.

SEC. 613. TECHNICAL CORRECTIONS TO SAVIOR ACT.

Section 517 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1147) is amended—

(1) in subsection (a), by striking “2001 and 2005 on or after September 1 of each year involved” and inserting “2001, 2005, and 2009 in the month of September of each year involved”;

(2) in subsection (b), by adding at the end the following new sentence: “To effectuate the purposes of this section, the Corporation shall enter into a cooperative agreement, pursuant to the Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301 et seq.), with the American Savings Education Council.”

(3) in subsection (e)(2)—

(A) by striking “Committee on Labor and Human Resources” in subparagraph (D) and inserting “Committee on Health, Education, Labor, and Pensions”;

(B) by striking subparagraph (F) and inserting the following:

“(F) to the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the House of Representatives, and the Chairman and Ranking Member of the Subcommittee on Labor, Health and Human Services, and Education of the Committee on Appropriations of the Senate;

(C) by redesignating subparagraph (G) as subparagraph (J); and

(D) by inserting after subparagraph (F) the following new subparagraphs—

“(G) the Chairman and Ranking Member of the Committee on Finance of the Senate;

“(H) the Chairman and Ranking Member of the Committee on Ways and Means of the House of Representatives;

“(I) the Chairman and Ranking Member of the Committee on Labor and Human Resources; and

“(J) the Chairman and Ranking Member of the Committee on Education, Workforce, and Pensions of the Senate.”

(4) in subsection (f)(1)(C), by inserting “May 1, 2005, and May 1, 2009, for each of the subsequent summits, respectively”;

(5) in subsection (f)(1)(C), by inserting “not later than 90 days prior to the date of the commencement of the National Summit,” after “comment” in paragraph (1)(C);

(6) in subsection (g), by inserting “, in consultation with the congressional leaders specified in subsection (e)(2),” after “report”;

(7) in subsection (i)—

(A) by striking “beginning on or after October 1, 1997” in paragraph (1) and inserting “2001, 2005, and 2009”; and

(B) by adding at the end the following new paragraph:

“(3) EXCEPTION AND REPRESENTATION AUTHORITY.—The Secretary is hereby granted receipt and representation authority limited specifically to the events at the National Summit and the National Corporation.”

(8) SEC. 701. LOSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1150) is amended by redesignating subsection (a) as subsection (b) and by inserting after subsection (b) the following new subsection:

“(c) MULTIEMPLOYER PLANS.—The Corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate on or after May 1, 2001.

“(d) PLANS NOT OTHERWISE SUBJECT TO TITLE.—

The transfer to corporation. The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant’s benefits to the corporation upon termination of the plan.

(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (1) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

“(A) to the corporation, or

“(B) to an entity other than the corporation of a plan described in paragraph (4)(B)(ii).

(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

“(A) in a lump sum (plus interest), or

“(B) in such other form as is specified in regulations of the corporation.

(4) SEC. 614. STUDY OF PRERETIREMENT USE OF BENEFITS—

(1) IN GENERAL.—The Secretary of the Treasury shall conduct a study of—

(A) the extent of use of such current provisions by individuals; and

(B) the extent to which such provisions undermine the goal of accumulating adequate resources for retirement; and

(2) REPORT.—Not later than January 1, 2003, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate containing the results of the study conducted under paragraph (1) and any recommendations.

TITLE VII—OTHER ERISA PROVISIONS

SEC. 701. LOSING PARTICIPANTS.

(a) IN GENERAL.—Section 4050 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1150) is amended by redesignating subsection (a) as subsection (b) and by inserting after subsection (b) the following new subsection:

“(c) MULTIEMPLOYER PLANS.—The Corporation shall prescribe rules similar to the rules in subsection (a) for multiemployer plans covered by this title that terminate on or after May 1, 2001.

“(d) PLANS NOT OTHERWISE SUBJECT TO TITLE—

The transfer to corporation. The plan administrator of a plan described in paragraph (4) may elect to transfer a missing participant’s benefits to the corporation upon termination of the plan.

(2) INFORMATION TO THE CORPORATION.—To the extent provided in regulations, the plan administrator of a plan described in paragraph (1) shall, upon termination of the plan, provide the corporation information with respect to benefits of a missing participant if the plan transfers such benefits—

“(A) to the corporation, or

“(B) to an entity other than the corporation of a plan described in paragraph (4)(B)(ii).

(3) PAYMENT BY THE CORPORATION.—If benefits of a missing participant were transferred to the corporation under paragraph (1), the corporation shall, upon location of the participant or beneficiary, pay to the participant or beneficiary the amount transferred (or the appropriate survivor benefit) either—

“(A) in a lump sum (plus interest), or

“(B) in such other form as is specified in regulations of the corporation.

(4) SEC. 614. STUDY OF PRERETIREMENT USE OF BENEFITS—

(1) IN GENERAL.—The Secretary of the Treasury shall conduct a study of—

(A) the extent of use of such current provisions by individuals; and

(B) the extent to which such provisions undermine the goal of accumulating adequate resources for retirement; and

(2) REPORT.—Not later than January 1, 2003, the Secretary of the Treasury shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate containing the results of the study conducted under paragraph (1) and any recommendations.
"(4) PLANS DESCRIBED.—A plan is described in this paragraph if—

(A) the plan is a pension plan (within the meaning of section 3(2))—

(i) to which the provisions of this section do not apply (without regard to this subsection), and

(ii) which is not a plan described in paragraphs (2) through (11) of section 4021(b),

(B) at the time the assets are to be distributed upon termination, the plan—

(i) has no participants, and

(ii) is subject for the transfer of assets to the payments of all missing participants (as defined in section 3(2)).

(5) Definitions.—The terms ‘small employer’ means an employer, a controlled group of such employer, 100 or fewer employees of all contributing sponsors and employees of all contributing sponsors and employees of all members of the contributing sponsor's controlled group. In the case of a plan maintained by a small employer (as so defined) and its controlled group (or any predecessor of either) did not establish or maintain a plan described in paragraph (4).''.

SEC. 702. REDUCED PBGC PREMIUM FOR NEW PLANS OF SMALL EMPLOYERS.


(1) by striking the term ‘other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined),’ after ‘single-employer plan’;

(2) in clause (iii), by striking the period at the end of ‘subparagraph (3)’ and inserting ‘, and’;

(3) by adding at the end the following new clause:

‘‘(iv) in the case of a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined, other than a new single-employer plan (as defined in subparagraph (F)) maintained by a small employer (as so defined,ator) maintained by a small employer (as so defined, in the plan of an employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (G) shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.’’.

(b) Definition of New Single-Employer Plan.—(1) Section 4006(a)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(1)) is amended by striking the following new subparagraph:

‘‘(G) In the case of a plan maintained by a small employer who has 25 or fewer employees on the first day of the plan year, the additional premium determined under subparagraph (E) for each participating plan participant shall not exceed $5 multiplied by the number of participants in the plan as of the close of the preceding plan year.’’

(c) Effective Dates.—(1) Subsection (a).—The amendments made by subsection (a) shall apply to plans established after December 31, 2001. (2) Subsection (b).—The amendments made by subsection (b) shall apply to plan years beginning after December 31, 2001.

SEC. 704. AUTHORIZATION FOR PBGC TO PAY INTEREST ON PREMIUM OVERPAYMENTS.

(a) In General.—Section 4007(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1307(b)) is amended by striking ‘‘(b)’’ and inserting ‘‘(b)(1),’’ and

(b) by inserting at the end the following new paragraph:

‘‘(2) The corporation is authorized to pay, subject to the limitations prescribed by the corporation, interest on the amount of any overpayment of premium refunded to a designated payor. Interest under this paragraph shall be calculated at the same rate and in the same manner as interest is calculated for underpayments under paragraph (1).’’

(c) Effective Date.—The amendments made by this section shall apply to plans established after December 31, 2001.

SEC. 705. SUBSTANTIAL OWNER BENEFITS IN TRENCHMENT REFUNDS.

(a) Modification of Phase-In of Guarantee.—Section 4022(b)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322(b)(5)) is amended to read as follows:

‘‘(5)(A) For purposes of this paragraph, the term ‘substantial owner’ means an individual who, at any time during the 60-month period ending on the date the determination is being made, owns or participates in the entire interest in an unincorporated trade or business.

‘‘(B) In the case of a partnership, a majority owner, the amount of benefits guaranteed under this section shall equal the product of—

(i) a fraction (not to exceed 1) the numerator of which is the number of years from the date of the effective date of the determination of whether an employer is a participant in such plan during the plan year to the date of the plan to the termination date, and the denominator of which is 10, and

(ii) the amount which would be guaranteed under this section if the participant were not a majority owner.’’


(2) Section 4044(b) of such Act (29 U.S.C. 1344(b)) is amended—

(A) by striking ‘‘(5)(B)’’ in paragraph (2) and inserting ‘‘(5), (5),’’

(B) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively, and by inserting after paragraph (2) the following new paragraph:

‘‘(3) If assets allocated for allocation under paragraph (4) of subsection (a) are insufficient to satisfy in full the benefits of all individuals who are described in that paragraph, the assets shall be allocated first to benefits described in subparagraph (A) of paragraph (4), and then to benefits described in subparagraph (B) of that paragraph. If assets allocated to such subparagraph (B) are insufficient to satisfy in full the benefits described in that subparagraph, the assets shall be allocated pro rata among individuals on the basis of the present value (as of the date of the determination date) of their respective benefits described in that subparagraph.’’.

(c) Conforming Amendments.—(1) Section 4021 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1321) is amended—

(A) in subsection (b)(9), by striking ‘‘as defined in section 4022(b)(6),’’ and

(B) by adding at the end the following new subsection:

‘‘(d) For purposes of subsection (b)(9), the term ‘substantial owner’ means an individual who, at any time during the 60-month period ending on the date the determination is being made—

‘‘(1) owns the entire interest in an unincorporated trade or business,

‘‘(2) in the case of a partnership, is a partner who owns, directly or indirectly, more than 10 percent of either the capital interest or the profits interest in such partnership, or

‘‘(3) in the case of a corporation, owns, directly or indirectly, more than 10 percent in
SEC. 707. BENEFIT SUSPENSION NOTICE

(a) MODIFICATION OF REGULATION.—The Secretary of Labor shall modify the regulation under section 202(a)(6)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1052(a)(6)(B)) to provide that the notification required by such regulation
(1) in the case of an employee who returns to work for a former employer after commencement of payment of benefits under the plan shall—
(A) be made during the first calendar month or payroll period in which the plan withholds payments, and
(B) if a reduced rate of future benefit accrual is used after the plan becomes aware (as of the first date of participation in the plan by the employee after returning to work) that the rate of future benefit accruals will be reduced, include a statement that the rate of future benefit accruals will be reduced, and
(2) in the case of any employee who is not described in paragraph (1)—
(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1026(b)), rather than in a separate notice, and
(B) need not include a copy of the relevant plan provisions.

(b) EFFECTIVE DATE.—The modification made pursuant to this section shall apply to plan years beginning after December 31, 2001.

TITLE VIII—PLAN AMENDMENTS

SEC. 801. PROVISIONS RELATING TO PLAN AMENDMENTS

(a) IN GENERAL.—If this section applies to any plan or contract amendment—
(1) such plan or contract shall be treated as being operated in accordance with the terms of the plan described in paragraph (1)(A) if the plan or contract amendment were in effect as of the date on which the plan or contract is operated as if such legislative or regulatory amendment, plan or contract amendment not required by paragraph (1)(A) takes effect (or in the case of a general plan of amendment, to the extent the plan or contract is operated as if such legislative or regulatory amendment, plan or contract amendment were in effect); and
(2) such plan or contract shall comply with paragraph (1)(A) at all times after such date.

(b) AMENDMENTS TO WHICH SECTION APPLIES.—The amendments made by this section apply to any plan or contract amendment—
(1) to the same extent that such person is

SEC. 802. CIVIL PENALTIES FOR BREACH OF FIDUCIARY RESPONSIBILITY

(a) IMPROPER AND PENALTY MADE DISCRETIONARY.—Section 502(1)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(3))—
(B) on or before the last day of the first plan year beginning on or after January 1, 2001, and
(C) on or before the last day of the first plan year beginning on or after January 1, 2005.

(b) APPLICABLE RECOVERY AMOUNT.—Section 502(1)(3) of such Act (29 U.S.C. 1132(3)) is amended by adding at the end thereof the following paragraph:

“(5) a person shall be jointly and severally liable for the penalty described in paragraph (1) to the same extent that such person is jointly and severally liable for the applicable recovery amount on which the penalty is based.

(6) No penalty shall be assessed under this subsection unless the person against whom the penalty is assessed is given notice and opportunity for a hearing with respect to the violation and applicable recovery amount.”.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section—
(1) in the case of an employee who returns to work for a former employer after commencement of payment of benefits under the plan shall—
(A) be made during the first calendar month or payroll period in which the plan withholds payments, and
(B) if a reduced rate of future benefit accruals is used after the plan becomes aware (as of the first date of participation in the plan by the employee after returning to work) that the rate of future benefit accruals will be reduced, include a statement that the rate of future benefit accruals will be reduced, and
(2) in the case of any employee who is not described in paragraph (1)—
(A) may be included in the summary plan description for the plan furnished in accordance with section 104(b) of such Act (29 U.S.C. 1026(b)), rather than in a separate notice, and
(B) need not include a copy of the relevant plan provisions.

(b) EFFECTIVE DATE.—The modification made pursuant to this section shall apply to plan years beginning after December 31, 2001.

The American people have many wonderful qualities. But, these days, unfortunately, thrift isn’t one of them. During the last twenty years, personal savings rates have consistently declined, from a peak of just under 11 percent of GDP in the 1980’s to today’s abysmal numbers. Personal saving as a percentage of disposable income have been in negative territory since last July, and the preliminary estimate for February is a negative 1.3 percent, the same as in January. What does this matter? A low savings rate means that people aren’t putting their own money away for retirement. That makes them more dependent on Social Security. Without whose tireless work on pension policy, Social Security only replaces an average of 40 percent of a worker’s income, because we live longer. Our ability and willingness to save now will define whether those retirement years are spent in comfort or poverty.

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new investments today. Increased capital for investment is an essential element to our international competitiveness, and critical in a time of slow economic growth such as we have now. Helping more Americans save for their retirement will provide a long-term economic stimulus for our country.

The bill we are introducing here today represents a bi-partisan effort to reverse this trend. It will expand savings opportunities for those who are not saving enough, and provide incentives that are not available yet. It is endorsed by a broad cross-section of groups representing the pension community, from the Retirement Savings Network to the AARP.

The bill reforms the tax rules for pension plans. It makes pensions more portable, to make it easier for workers to take their pensions with them when they change jobs. It strengthens pension security and enforcement. It expands coverage for small businesses. It enhances incentives for use yellow section of the tax code. And it encourages retirement education.

The bill also increases the contribution limits for Individual Retirement Accounts. IRAs have proven to be a very popular way for millions of workers to save for retirement, particularly for those who don’t have pension plans available through their employers. The IRA limits haven’t been increased since they were created almost two decades ago. They are long overdue for an increase. In addition to the IRA provisions, the bill increases contribution limits for employer-sponsored pension plans such as 401(k) plans.

These are positive changes. However, by and large, they reinforce the conventional approach to retirement incentives. That approach can best be described as a “top down” approach. We create incentives for people with higher incomes, hoping that the so-called nondiscrimination rules will give the higher paid folks an incentive to encourage more participation by others, such as through employer matching programs.

I don’t have a problem with this approach, as far as it goes. But it doesn’t do enough to reach out to middle and lower income workers.

That’s why I am particularly pleased that the bill goes further, by creating two new savings incentives. One creates new incentives to encourage small businesses to establish pension plans for their employees. The other creates a new matching program to help workers save their own money for retirement.

Let me discuss each in turn.

First, the incentives for small businesses. Unlike larger companies, most small business owners don’t offer pension plans. While three out of every four workers at large companies are participating in some form of pension plan, only one out of every three employees of small businesses have pensions. This leaves over 30 million workers without a pension plan.

It’s not that small businesses don’t want to provide pension plans. They simply can’t afford to. In a recent survey of small employers by the Employee Benefit Research Institute, 65 percent of all small business owners said tax credits for start-up costs were second only to a lower limit of 3% of the salaries of these workers.

Taken together, these new incentives will make it easier for small businesses to reach out to their employees and provide them with a pension. For example, the bill creates a new tax credit that’s aimed primarily at workers who do not have a pension plan available to them, to encourage them to save for themselves.

Only one-third of families with incomes over $25,000 are saving for retirement either through a pension plan or in an IRA. This compares with 85 percent of families with incomes over $50,000 who are saving for retirement.

We clearly need to provide an incentive for those families who aren’t saving right now, and the individual savings credit included in the Grassley-Baucus bill will provide that incentive. Here’s how it works. A couple with a joint income of $30,000 is eligible for a 50% tax credit for the amount that they save each year, for savings of up to $2000. People with higher incomes get a smaller match, up to a joint income of $50,000.

According to the Joint Tax Committee, over 8 million families will be eligible for the individual savings credit. This will provide a strong incentive for these families to begin setting aside money for their retirement.

I understand pension incentives are not currently part of the President’s tax plan. But I strongly believe this period of surpluses gives us a unique opportunity to help millions of individual Americans save for the future—an opportunity that we shouldn’t pass up. Enacting the Grassley-Baucus bill will also help our economy grow by reducing the cost of capital, providing a long-term stimulus to economic growth.

This bill will help those who are already thrifty and need the government to lower limits on saving. But it will also help the many people who have been left behind. Good people, who are working hard to make ends meet, but having trouble also saving for a rainy day.

This bill reaches out to all of them. It is a bipartisan effort to give every working person in this country a real stake in the American Dream.

I urge my colleagues to join us as co-sponsors.

Mr. GRAHAM. Mr. President, I rise today along with Senators GRASSLEY and BAUCUS to introduce the Retirement Security and Savings Act of 2001. This bill is the result of a bi-partisan group, and especially with my colleague Senator GRASSLEY, who has put a tremendous effort into crafting many parts of this bill. He and I recognize that for our nation to solve what will be one of this generation’s greatest challenges, building retirement security for today’s workers, we need to move in a common sense, bipartisan fashion.

Many of the original cosponsors have dedicated their years in the Senate to key sectors of the legislation. Senator GRASSLEY’s efforts have expanded fairness for women and families, and highlighted the benefits of retirement education. Senator BAUCUS has also been a prime contributor to this legislation, fostering the proposals to expand pension coverage and ease the administrative burdens on America’s small businesses.

We have come here today, from both sides of the aisle, to ensure that future generations have a strong and viable retirement security system.

Retirement today is a much different prospect than it was a generation ago. Retirees can expect to live much longer. Their health care needs are different and they are much more likely to need long-term care.

Planning for retirement has also changed. Thirty years ago retirement planning consisted of picking an employer with a good pension plan and staying with that company for 30 years.

Traditional pensions, with their clockwork monthly checks in return for a defined term of service, are becoming nostalgic memories. Increasingly, employers are turning to defined contribution plans—401(k)s and the like.

For example, twenty-five years ago nearly 31 million American workers were covered by a pension plan. Of those plans have a strong defined benefit plan, according to the Department of Labor. Today, less than one-half of workers covered by a retirement plan have a defined benefit plan, while 54 percent are covered by a defined contribution plan.

An employee with a 401(k) account can count on getting only one thing each month—a statement tracking account investments that rise and fall with financial markets. The burden of ensuring that there are sufficient assets in their 401(k) plans falls upon them.

And these are the lucky workers. Many employers—small businesses in
particular—do not offer any kind of employer-sponsored retirement plan. Workers at these businesses are left to fend for themselves.

Recent statistics from the Social Security Administration illustrate the important component of retirement income. 38 percent of retirees’ income came from Social Security, 19 percent from employer-sponsored savings plans or pensions, and 19 percent from savings. The rest was unidentified income or earnings from work. Clearly, Social Security alone is not sufficient basis for a solid retirement plan. Adequate retirement security these days involves planning and coordinating three principal sources of income: Social Security, employer-based pensions and personal savings.

Pensions and personal savings will make up an ever-increasing part of retirement security. Today, if a worker retires with no savings and no pension, nearly 40 percent of his/her retirement income was provided by Social Security. As retirees are becoming more heavily reliant on pensions, statistics show that 45 million working Americans are still not covered by any type of retirement plan.

There are a number of reasons why fewer and fewer working Americans are being offered retirement benefits. First, job tenure has fallen. Today’s workers no longer dedicate their entire working life to one company. Now, the average worker will have had 7 employers in a 40-year work career. The mobility of working Americans, and the necessity of businesses to restructure their workforce, can create tremendous obstacles in ever being able to fully vest, and obtain retirement benefits.

Second, small businesses, the most dynamic part of our economy, are the least able to offer their workers retirement benefits. Studies indicate that small businesses are responsible for a large portion of the country’s job growth and productivity. This trend will accelerate in the future.

Third, our economy has shifted away from manufacturing jobs, which tend to offer pensions, to service and retail jobs, which tend to have shorter job tenure, more part-time workers, and less likelihood of providing pension and retirement benefits.

And finally, there are fewer union workers. Collective bargaining agreements are the most likely to contain retirement benefits. There are fewer union workers than 20 years ago, and the number is still declining. Therefore, less people will have important lifetime retirement security.

It is imperative that Congress take action to improve the private side of retirement security and encourage personal savings. Our bill, the Retirement Security and Savings Act, will help hard-working Americans build personal retirement savings through 401(k)s and IRAs.

To achieve this goal, we focused on six areas: simplification, portability, expanded coverage for small business, pension security and enforcement, women’s equity issues, and expanding retirement planning and education opportunities.

This legislation benefits both employers and workers. Employers get simpler pension systems with less administrative burden, and more loyal employees. And workers build secure retirement and watch their savings accumulate over years of work.

A large section of this legislation deals with employer-sponsored defined-contribution plans. It’s such an important component of this bill because small businesses have the greatest difficulty achieving retirement security.

The problem: statistics indicate that only a small percentage of workers in firms of less than 100 employees have access to a retirement plan. We take a step forward in eliminating one of the first hurdles that a small business faces when it establishes a pension plan. On one hand, the federal government encourages these businesses to establish pension plans. Yet on the other hand, we turn around and charge them a registration fee. Workers changing jobs are often given their savings back in a lump sum that doesn’t always make it back into an Individual Retirement Account or their new employer’s 401(k). The result is that retirement savings get spent before retirement.

Our bill provides a solution to this problem. It allows employees to roll one retirement account into another as they move from job to job so that when they retire, they will have one retirement account. It’s easier to monitor, less complicated to keep track of, and builds a more secure retirement for the worker.

Portability is important, but we must also reduce the red tape. The main obstacle that companies face in establishing retirement programs is the administrative burden. For example: for small plans, it costs $220 per person per year just to comply with all the forms, tests and administrative burden. We want to be able to say to plans that have no problem with underfunding: to help make these calculations, you can use the prior year’s data to help make the proper contribution. You don’t have to re-sort through the numbers each and every year. Companies will be able to calculate, and then budget accordingly—and not wait until figures and rates out of their control are released by outside sources.

We have a common sense remedy to one of the most vexing problems in pension administration: figuring out how much money to contribute to the company’s plan. It’s a complex formula that is filled with statistics and assumptions. We want to be able to say to plans that have no problem with underfunding: to help make these calculations, you can use the prior year’s data to help make the proper contribution. You don’t have to re-sort through the numbers each and every year. Companies will be able to calculate, and then budget accordingly—and not wait until figures and rates out of their control are released by outside sources.

This legislation also addresses the inadequacy of retirement security for women and families. Generally speaking, women live longer than men, and therefore, need greater savings for retirement. Yet retirement laws do not reflect this. Women are more mobile than men, moving in and out of the workforce due to family responsibilities; thus, they have less of a chance to become vested. Our legislation provides a solution—shrinking the five-year vesting cycle to a three-year cycle.

As I mentioned earlier, the current U.S. worker will have seven different employers in a lifetime. We have the possibility of creating a generation of American workers who will retire with many small accounts—creating a complex maze of statements and features, different for each account. This is a problem—pensions should be portable from job to job.

Unfortunately, our tax laws contain barriers to retirement-account portability and so the major benefit of defined-contribution plans are often rendered useless. Workers changing jobs are often given their savings back in a lump sum that doesn’t always make it back into an Individual Retirement Account or their new employer’s 401(k). The result is that retirement savings get spent before retirement.

Our bill provides a solution to this problem. It allows employees to roll one retirement account into another, as they move from job to job, so that when they retire, they will have one retirement account. It’s easier to monitor, less complicated to keep track of, and builds a more secure retirement for the worker.

With the introduction of this legislation today it is my goal to ensure that
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Each American who works hard for thirty or forty years has gotten every opportunity for a secure and comfortable retirement.

I thank my colleagues who have worked so hard with me on this measure, and I ask for the support of those in this Chamber on this important legislation.

Mr. HATCH. Mr. President, I rise today to express my support for the Retirement Security and Savings Act of 2001, and I am pleased to once again join my colleagues as an original cosponsor of this important legislation. Enactment of this bill would encourage more businesses to offer pension plans to their employees by simplifying the complex and burdensome pension rules they face and would also make it easier for employees to save for their own retirement.

I want to congratulate my colleague, the chairman of the Finance Committee, Senator Grassley, for his effective and persistent leadership on this issue. Senators Grassley, Baucus, Graham, and Jeffords, along with myself and several other Senators, have been working on enactment of a bipartisan pension simplification and retirement savings enhancement bill for several years now. These efforts led to the successful passage of a bipartisan package of such provisions in the Taxpayer Refund and Reform Act of 1999, which was unfortunately vetoed by President Clinton. However, our efforts were not for naught, and the goal line last year when the Finance Committee reported out a bill containing similar provisions. The ultimate objective of enactment has been elusive, however. Introduction of this legislation today is the first step of what I hope will be the successful completion to this long quest.

However, I have some serious concerns with some changes that were made to the bill being introduced today, compared with earlier versions. Specifically, important changes to the top-heavy rules that affect small businesses have been left out. Let me explain.

Today’s pension laws are complicated and cumbersome and a deterrent to small businesses wanting to establish a retirement plan. In 1996, Congress began the job of pension simplification when it passed the Small Business Job Protection Act. This Act contained important changes to our current pension laws, including two simplification provisions important to small and family-owned businesses—an exemption from costly nondiscrimination testing for 401(k) plans that meet certain safe harbor provisions; and the elimination of complex and duplicative family aggregation rules.

Unfortunately, these changes did not apply to the top-heavy rules. The top-heavy rules are additional testing and minimum benefit requirements aimed at ensuring that owner-dominated plans do not discriminate against lower-paid workers. Due to their design, top-heavy rules generally only affect business with fewer than 100 employees.

I recognize the need to protect lower-paid employees from discrimination in the design of retirement plans. However, these top-heavy rules can be duplicative and especially harmful in that they discourage small employers from establishing pension plans because they add to the cost and administrative burden of sponsoring a plan. In the end, rules like these that were designed to protect employees can end up harming them by leaving them with no employer-provided retirement coverage. Moreover, the general nondiscrimination rules have been strengthened over the years since the enactment of the top-heavy rules, and are further strengthened by the provisions of the bill being introduced today. Therefore, eliminating these duplicative top-heavy rules would not leave workers unprotected. It would, however, remove a disincentive for employers to sponsor a retirement plan.

H.R. 1102, the pension simplification bill that passed the House of Representatives and the Finance Committee last year with bipartisan support, contained in H.R. 1102, this year’s version of the so-called Portman-Cardin bill recently introduced in the House, contain two important provisions that were left out of the bill being introduced today. These provisions would extend the safe harbor 401(k) plans from the top-heavy rules and remove the family aggregation requirement from the top-heavy rules.

First, the 401(k) safe harbor provides exactly what the top-heavy rules attempt to do—guarantee that non-highly paid workers get a minimum level of benefits and are not discriminated against. In return, employers can avoid costly nondiscrimination testing. Congress intended the safe harbor to encourage small employers to create new pension plans and provide more generous benefits to employees. However, because qualification for the safe harbor does not exclude a plan from the top-heavy rules, the fear of costly testing can be a serious deterrent to businesses wishing to take advantage of the safe harbor, even if the plan satisfies the minimum benefit requirements. Thus, in order to provide certainty and encouragement to small businesses, 401(k) plans that meet the safe harbor rules should also be exempt from top-heavy testing.

Second, as was noted by Congress in 1996, the family aggregation rules are complex and unnecessary in light of the numerous other provisions that protect against pension plans disproportionately favoring high-paid workers. Moreover, requiring the aggregation of family members when testing pension plans imposes undue burdens on family-owned businesses to provide adequate retirement benefits for all members of the family working for the business. Therefore, Congress should complete the task of easing this burden on family-owned businesses by removing the family aggregation requirement from the top-heavy rules.

On the whole I support the legislation to introduce today. It would go a long way toward increasing the retirement security for millions of Americans. However, I am disappointed that these two provisions, along with several others, were dropped from the bill. These two provisions are particularly important tools that expand and employee retirement coverage by encouraging small businesses to establish pension plans. As pension reform legislation makes its way through the legislative process, I will work to try to restore these provisions so that small family-owned businesses will have more certainty and confidence and fewer unnecessary burdens and costs when establishing pension plans for their workers.

By Mr. REED (for himself, Mrs. Clinton, and Mr. Schumer):

S. 743. A bill to establish a medical education trust fund, and for other purposes: to the Committee.

Mr. REED. Mr. President, today I am introducing legislation along with my colleague Senator Clinton, that establishes a Medical Education Trust Fund to support America’s 144 medical schools and 1,250 graduate medical education, GME, teaching institutions. These institutions are national treasures, they are the very best in the world and deserve explicit and dedicated funding to guarantee that the United States continues to lead the world in the quality of its medical education and its health care delivery system.

The Medical Education Trust Fund Act, METFA, of 2001 recognizes the need to begin moving away from existing medical education payment policies. The primary and immediate purpose of the legislation is to establish as Federal policy that medical education is a public good that all sectors of the health care system must support. This bill ensures that public and private insurers share the burden of financing medical education equitably. As such, METFA will be funded through three sources: a 1.5 percent assessment on health insurance premiums, Medicare, and Medicaid. The relative contribution from each of these sources is in rough proportion to the medical education costs attributable to their respective covered populations.

GME is increasingly becoming hostage to budgetary questions about the solvency and design of the Medicare system. The very commission entrusted to protect the integrity of the Medicare program, MedPAC, itself has succumbed to political and ideological pressures by recommending that the proportion of Medicare payments made to the GME program be reduced from the Health Insurance Trust Fund and thrown into the appropriations process. I cannot stress strongly...
enough how important it is to reject this recommendation. To subject GME to the annual appropriations process does nothing more than to put a vital program in direct competition with many other important federal priorities. This is a budget that the Bush Administration and Congress have repeatedly struggled to contain. We have seen this first hand in working through the 2002 budget, where the current Administration has proposed to cut a large portion of the Pediatric GME program to fund other programs. Leaving this program unprotected, will incite the same type of particularly special interest advocacy that we see emerging in other areas of health care. I urge my colleagues to reject this dangerous notion and instead call on all of you to support the concept embodied in this bill.

This legislation, METFA, is not my innovation. It is an idea, pioneered by our former colleague, Senator Moynihan. This bill recognizes that medical education is the responsibility of all who benefit from it and must therefore share in the responsibility to support it. As Senator Moynihan once said "medical education is one of America's most precious public resources." He understood that despite the increasingly competitive health care system of our time, that medical education was a public good, that is, "a good from which everyone benefits but for which no one is willing to pay."

Some health reformers argue that in fact, GME does not meet the requirements of a public good and that therefore, an all-payer system is nothing more than a form of taxation. I beg to differ. Health care is not a commodity. While we can and should rely on competition to hold down costs in much of the health system, we must not allow it to bring a premature end to this great age of medical discovery, an age made possible by teaching hospitals and teaching schools. Indeed, through the NIH and the tax code we have successfully and robustly, subsidized the development of new wonder drugs, and I certainly don't think anyone is suggesting that we change this policy, my legislation complements a competitive health market by providing tax-supported funding for the public services provided by teaching hospitals and medical education.

The legislation we introduce today is only the beginning. It establishes the principle that, as a public good, medical education should be supported by a stable, dedicated, long-term source of funding. To ensure that the United States continues to lead the world in the quality of its medical education and its health system as a whole, the legislation would also create a Medical Education Advisory Commission to conduct a thorough study and make recommendations, including the potential use of demonstration projects, regarding the following: alternative and additional sources of medical education financing; alternative methodologies for financing medical education; policies designed to maintain superior research and educational capacities in an increasingly competitive health system; the appropriate role of medical schools in graduate medical education; policies designed to expand eligibility for graduate medical education payments to institutions other than teaching hospitals, including children's hospital.

The services provided by our nation's teaching hospitals and medical schools, groundbreaking research, highly skilled medical care, and the training of tomorrow's physicians, are vitally important and must be protected in this time of intense economic competition in the health system.

I ask unanimous consent that the text of the bill be printed in the RECORD. Where being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 743

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

"SEC. 1. Short title; table of contents.

"(a) Short title.—This Act may be cited as the "Medical Education Trust Fund Act of 2001".

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

"Sec. 1. Short title; table of contents.
Sec. 2. Medical Education Trust Fund.
Sec. 3. Amendments to medicare program.
Sec. 4. Amendments to medicaid program.
Sec. 5. Assessments on insured and self-insured health plans.
Sec. 6. Medical Education Advisory Commission.
Sec. 7. Demonstration projects.

"SEC. 2. MEDICAL EDUCATION TRUST FUND.

The Social Security Act (42 U.S.C. 300 et seq.) is amended by adding after title XXI the following new title:

"TITLE XXII—MEDICAL EDUCATION TRUST FUND.

"Sec. 2201. Establishment of Trust Fund.
Sec. 2202. Payments to medical schools.
Sec. 2203. Payments to teaching hospitals.
Sec. 2204. Establishment of Trust Fund.

"(a) In general.—There is established in the Treasury of the United States a fund to be known as the Medical Education Trust Fund (in this title referred to as the "Trust Fund"), consisting of the following accounts:

"(1) The Medical School Account.
(2) The Medicare Teaching Hospital Indirect Account.
(3) The Medicare Teaching Hospital Direct Account.
(4) The Non-Medicare Teaching Hospital Indirect Account.
(5) The Non-Medicare Teaching Hospital Direct Account.

"(b) Availability of Trust Fund for payments; annual amount of payments.—For making payments under subsection (a) from the amount allocated and transferred to the accounts described in subsection (a), there are appropriated to the Trust Fund such amounts as may be unconditionally donated to the Federal Government as gifts to the Trust Fund. Such amounts shall be allocated and transferred to the accounts described in subsection (a) in the same proportion as the amounts in each of the accounts bears to the total amount in all the accounts of the Trust Fund.

"(c) Investment.—"
change in the general health care inflation factor (as defined in subsection (d)) during the 12-month period ending at that midpoint, with appropriate adjustments to reflect previous underestimations or overestimations under this subparagraph in the projected health care inflation factor.

"(2) AMOUNT OF PAYMENTS FOR MEDICAL SCHOOLS.—

"(A) IN GENERAL.—Subject to the annual amount available under paragraph (1) for a fiscal year, the amount of payments required under subsection (a) to be made to a medical school that submits to the Secretary an application for such year in accordance with subsection (b), and an amount equal to an amount determined by the Secretary in accordance with subparagraph (B).

"(B) DEVELOPMENT OF FORMULA.—The Secretary shall apply a formula for allocating funds to medical schools under this section consistent with the purpose described in subsection (a)(3).

"(c) SCHOOL DEFINED.—For purposes of this section, the term 'medical school' means a school of medicine (as defined in section 789 of the Public Health Service Act) or a school of osteopathic medicine (as defined in such section).

"(d) GENERAL HEALTH CARE INFLATION FACTOR.—'General health care inflation factor' means the Consumer Price Index for Medical Services as determined by the Bureau of Labor Statistics.

"SEC. 2293. PAYMENTS TO TEACHING HOSPITALS.—

"(a) FORMULA PAYMENTS TO ELIGIBLE ENTITIES.—

"(1) IN GENERAL.—In the case of any fiscal year beginning after September 30, 2001, the Secretary shall make payments to each eligible entity that, in accordance with paragraph (2), submits to the Secretary an application for such fiscal year. Such payments shall be made from the Trust Fund, and the total of the payments to the eligible entity for the fiscal year shall be equal to the amounts determined under subsections (b), (c), (d), and (e) with respect to such entity.

"(2) APPLICATION.—For purposes of paragraph (1), an application shall contain such information as may be necessary for the Secretary to make payments under such paragraph to an eligible entity during a fiscal year. Such applications shall be treated as submitted in accordance with this paragraph if it is submitted not later than the date specified by the Secretary, and is made in such form and manner as the Secretary may require.

"(3) PERIODIC PAYMENTS.—Payments under paragraph (1) to an eligible entity for a fiscal year shall be made periodically, at such intervals and in such amounts as the Secretary determines to be appropriate (subject to applicable Federal law regarding Federal payments).

"(4) ADMINISTRATOR OF PROGRAMS.—The Secretary shall carry out responsibility under this title by acting through the Administrator of the Health Care Financing Administration.

"(5) ELIGIBLE ENTITY.—For purposes of this title, the term 'eligible entity', with respect to any fiscal year, means—

"(A) for payment under subsections (b) and (c), an entity which would be eligible to receive payments for such fiscal year under—

"(i) section 1886(b), if such payments had not been terminated for discharges occurring after September 30, 2001; and

"(ii) section 1886(h), if such payments had not been terminated for cost reporting periods beginning after September 30, 2001; or

"(iii) both sections; or

"(B) for payment under subsections (d) and (e)—

"(i) an entity which meets the requirement of subparagraph (A); or

"(ii) an entity which the Secretary determines should be considered an eligible entity.

"(B) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Indirect Account under section 1886(m)(1), and subsections (c)(3) and (d) of section 2291 for such fiscal year.

"(2) APPLICABLE PERCENTAGE.—For purposes of this paragraph, the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(b)(5)(B) if such payments had not been terminated for discharges occurring after September 30, 2001.

"(C) DETERMINATION OF AMOUNT FROM MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Medicare Teaching Hospital Direct Account under section 1886(m)(2), and subsections (c)(3) and (d) of section 2291 for such fiscal year.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year is equal to the percentage of the total payments which would have been made to the eligible entity in such fiscal year under section 1886(h) if such payments had not been terminated for cost reporting periods beginning after September 30, 2001.

"(D) DETERMINATION OF AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL INDIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible entity for a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Indirect Account for such fiscal year under section 1938, subsections (c)(3) and (d) of section 2291, and section 4953 of the Internal Revenue Code of 1986.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(d)(5)(B) if—

"(A) such payments had not been terminated for discharges occurring after September 30, 2001; and

"(B) such payments were computed in a manner consistent with the purpose described in subsection (a)(3).

"(E) DETERMINATION AMOUNT FROM NON-MEDICARE TEACHING HOSPITAL DIRECT ACCOUNT.—

"(1) IN GENERAL.—The amount determined for an eligible entity in a fiscal year under this subsection is the amount equal to the applicable percentage of the total amount allocated and transferred to the Non-Medicare Teaching Hospital Direct Account for such fiscal year under section 1938, subsections (c)(3) and (d) of section 2291, and section 4953 of the Internal Revenue Code of 1986.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the applicable percentage for any fiscal year for an eligible entity is equal to the percentage of the total payments which, as determined by the Secretary, would have been made in such fiscal year under section 1886(h) if—

"(A) such payments had not been terminated for cost reporting periods beginning after September 30, 2001; and

"(B) such payments were computed in a manner consistent with the purpose described in subsection (a)(3).

"(F) DETERMINATION OF AMOUNT FROM MEDICAран TEACHING HOSPITAL ACCOUNTS.—

"(1) IN GENERAL.—From the Federal Hospital Insurance Trust Fund, the Secretary shall, for fiscal year 2002 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to—

"(a) the applicable percentage of the total amount estimated by the Secretary for the fiscal year involved of the nationwide total of the amounts that would have been paid to hospitals during the fiscal year if such payments had not been terminated for discharges occurring after September 30, 2001.

"(2) DIRECT COSTS OF MEDICAL EDUCATION.—

"(A) TRANSFER.—

"(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund, the Secretary shall, for fiscal year 2002 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an amount equal to the applicable percentage of the total amount estimated by the Secretary for the fiscal year involved of the nationwide total of the amounts that would have been paid to hospitals during the fiscal year if such payments had not been terminated for discharges occurring after September 30, 2001.

"(ii) ALLOCATION.—Of the amount transferred under clause (i) there shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under paragraph (2)(B) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to such Trust Fund under title XXII (excluding amounts transferred under subsections (c)(3) and (d) of section 2291) for such fiscal year; and

"(iii) the remainder shall be allocated and transferred to the Medicare Teaching Hospital Indirect Account of such Trust Fund.

"(B) DETERMINATION OF AMOUNTS.—The Secretary shall make an estimate for each fiscal year involved of the nationwide total of the amounts that would have been paid under subsection (d)(5)(B) to hospitals during the fiscal year if such payments had not been terminated for discharges occurring after September 30, 2001.

"(C) DIRECT COSTS OF MEDICAL EDUCATION.—

"(A) TRANSFER.—

"(i) IN GENERAL.—From the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund, the Secretary shall, for fiscal year 2002 and each subsequent fiscal year, transfer to the Medical Education Trust Fund an
(B) Determination of amounts.—For each hospital, the Secretary shall make an estimate for the fiscal year involved of the amount that would have been paid under subsection (b) to the hospital during the fiscal year if such payments had not been terminated for cost reporting periods beginning after September 30, 2001.

(C) Allocation between funds.—In providing for an allocation under subsection (a), for a fiscal year, the Secretary shall provide for an allocation of the amounts involved between part A and part B (and the trust funds established under title XXII) in a manner as reasonably reflects the proportion of direct graduate medical education costs of hospitals associated with the provision of services under each respective part.

SEC. 4. AMENDMENTS TO MEDICAID PROGRAM.

(a) In general.—Title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) is amended by adding at the end the following:—

``TRANSFER OF FUNDS TO ACCOUNTS

"Sec. 1906. (a) Transfer of Funds.—

"(1) Transfer of funds.—For fiscal year 2002 and each subsequent fiscal year, the Secretary shall transfer to the Medical Education Trust Fund established under title XXII an amount equal to the amount determined under subsection (b).

"(2) Allocation.—Of the amount transferred under paragraph (1),—

"(A) There shall be allocated and transferred to the Medical School Account of such Trust Fund an amount which bears the same ratio to the total amount available under section 1906(d) for the fiscal year (reduced by the balance in such account at the end of the preceding fiscal year) as the amount transferred under clause (i) bears to the total amounts transferred to such Trust Fund under title XXII (excluding amounts transferred under subsections (c)(3) and (d) of section 2201) for such fiscal year; and

"(B) There shall be allocated and transferred to the Medicare Teaching Hospital Direct Account of such Trust Fund.

"(B) Determination of amounts.—For each hospital, the Secretary shall make an estimate for the fiscal year involved of the amount that would have been paid under subsection (b) to the hospital during the fiscal year if such payments had not been terminated for cost reporting periods beginning after September 30, 2001.

(C) Allocation between funds.—In providing for an allocation under subsection (a), for a fiscal year, the Secretary shall provide for an allocation of the amounts involved between part A and part B (and the trust funds established under title XXII) in a manner as reasonably reflects the proportion of direct graduate medical education costs of hospitals associated with the provision of services under each respective part.

SEC. 5. ASSESSMENTS ON INSURED AND SELF-INSURED HEALTH PLANS.

(a) General rule.—Subtitle D of the Internal Revenue Code of 1986 (relating to miscellaneous excise taxes) is amended by adding at the end the following new chapter:

"CHAPTER 37—HEALTH RELATED ASSESSMENTS

"Subchapter A—Insured and self-insured health plans

"Subchapter A—Insured and Self-Insured Health Plans

"Sec. 4501. Health insurance and health-related administrative services.

"Sec. 4502. Self-insured health plans.

(b) Imposition of tax.—There is hereby imposed—

"(1) on each taxable health insurance policy, a tax equal to 1.5 percent of the premiums received in respect of such policy, and

"(2) on each amount received for health-related administrative services, a tax equal to 1.5 percent of the amount so received.

(c) Liability to collect.—(A) In general.—In the case of any arrangement described in subparagraph (B)—

"(i) such arrangement shall be treated as a taxable health insurance policy,

"(ii) the payments or premiums referred to in subparagraph (B)(i) shall be treated as premiums received for a taxable health insurance policy, and

"(iii) the person referred to in subparagraph (B)(i) shall be treated as the issuer.

"(B) Description of arrangements.—An arrangement is described in this subparagraph if under such arrangement—

"(i) fixed payments or premiums are received as consideration for any person’s agreement to provide or arrange for the provision of accident or health coverage to residents of the United States, regardless of how such coverage is provided or arranged to be provided, and

"(ii) substantially all of the risks of the rates of utilization of services is assumed by such person or the provider of such services.

"(C) Health-related administrative services.—For purposes of this section, the term ‘health-related administrative services’ means—

"(1) the processing of claims or performance of other administrative services in connection with accident or health coverage under a taxable health insurance policy if the charge for such services is not included in the premiums under such policy, and

"(2) processing claims, arranging for provision of accident or health coverage, or performing other administrative services in connection with an applicable self-insured health plan (as defined in section 4502(c)) established or maintained by a person other than the person performing the services. For purposes of paragraph (1), rules similar to the rules of subsection (a) of section 4501 apply.

"(D) Self-Insured Health Plans.—

"(i) Imposition of tax.—In the case of any applicable self-insured health plan, there is hereby imposed a tax for each month equal to 1.5 percent of the sum of—

"(1) the amount of such plan to the extent such expenditures are not subject to tax under section 4501.

"(2) tort liabilities, or

"(C) Liabilities incurred under workers’ compensation laws.

"(D) other similar liabilities as the Secretary may specify by regulations.

"(E) Special rule where policy provides coverage for accident and health coverage.—In the case of any applicable taxable health insurance policy under which amounts are payable other than for accident or health coverage, in determining the amount of the tax imposed by subsection (a)(1) on any premium paid under such policy, there shall be excluded the amount of the premium for the nonaccident or nonhealth coverage if—

"(A) the charge for such nonaccident or nonhealth coverage is either separately stated in the policy, or furnished to the policyholder in a separate statement, and

"(B) such charge is reasonable in relation to the total charges under the policy.

In any other case, the entire amount of the premium shall be subject to tax under subsection (a)(1).

"(4) Treatment of prepaid health coverage arrangements.—

"(i) In general.—In the case of any arrangement described in subparagraph (B)—

"(II) such arrangement shall be treated as a taxable health insurance policy,

"(iii) the payments or premiums referred to in subparagraph (B)(i) shall be treated as premiums received for a taxable health insurance policy, and

"(iii) the person referred to in subparagraph (B)(i) shall be treated as the issuer.

"(ii) Description of arrangements.—An arrangement is described in this subparagraph if under such arrangement—

"(1) the accident or health coverage is either separately stated in the policy, or furnished to the policyholder in a separate statement, and

"(2) substantially all of the risks of the rates of utilization of services is assumed by such person or the provider of such services.

"(B) Health-related administrative services.—For purposes of this section, the term ‘health-related administrative services’ means—

"(1) the processing of claims or performance of other administrative services in connection with accident or health coverage under a taxable health insurance policy if the charge for such services is not included in the premiums under such policy, and

"(2) processing claims, arranging for provision of accident or health coverage, or performing other administrative services in connection with an applicable self-insured health plan (as defined in section 4502(c)) established or maintained by a person other than the person performing the services. For purposes of paragraph (1), rules similar to the rules of subsection (a) of section 4501 apply.

"(C) Self-Insured Health Plans.—

"(1) Imposition of tax.—In the case of any applicable self-insured health plan, there is hereby imposed a tax for each month equal to 1.5 percent of the sum of—

"(1) the amount of such plan to the extent such expenditures are not subject to tax under section 4501.
In determining the amount of expenditures under paragraph (2), rules similar to the rules of subsection (d)(3) apply.

(b) LIABILITY FOR TAX.—

(1) IN GENERAL.—No tax imposed by subsection (a) shall be paid by the plan sponsor.

(2) PLAN SPONSOR.—For purposes of paragraph (1), the term ‘plan sponsor’ means—

(A) the party that established or maintained a single employer plan,

(B) the employee organization in the case of an established or maintained by an employee organization, or

(C) in the case of—

(i) a plan established or maintained by 2 or more employers jointly by 1 or more employer organizations,

(ii) a voluntary employees’ beneficiary association under section 201(c)(9), or

(iii) any other association plan, the association, committee, joint board of trustees, or other similar group of representatives of the parties who establish or maintain the plan.

(c) APPLICABLE SELF-INSURED HEALTH PLAN.—For purposes of this section, the term ‘self-insured health plan’ means any plan for providing accident or health coverage if any portion of such coverage is provided other than through an insurance policy.

(d) ACCIDENT OR HEALTH COVERAGE EXPENDITURES.—For purposes of this section—

(1) IN GENERAL.—The accident or health coverage expenditures of any applicable self-insured health plan for any month are the aggregate expenditures paid in such month for accident or health coverage provided under such plan for the extent to which such expenditures are not subject to tax under section 4501.

(2) TREATMENT OF REIMBURSEMENTS.—In determining accident or health coverage expenditures during any month of any applicable self-insured health plan, reimbursements (by insurance or otherwise) received during such month shall be taken into account as a reduction in accident or health coverage expenditures.

(3) CERTAIN EXPENDITURES DISCARDED.—Paragraph (1) shall not apply to any expenditure for the acquisition or improvement of land or for the acquisition or improvement of any applicable self-insured health plan which bears the same ratio to the total amount available under section 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.

SEC. 4505. TRANSFER TO ACCOUNTS.

For fiscal year 2002 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.

SEC. 4506. TRANSFER TO ACCOUNTS.

For fiscal year 2002 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.

SEC. 4507. DEFINITIONS AND SPECIAL RULES.

(a) DEFINITIONS.—For purposes of this subchapter—

(1) ACCIDENT OR HEALTH COVERAGE.—The term ‘accident or health coverage’ means any coverage which, if provided by an insurance policy, would cause such policy to be a taxable health insurance policy (as defined in section 501(c)(1)).

(2) INSURANCE POLICY.—The term ‘insurance policy’ means any policy or other instrument whereby a contract of insurance is issued, renewed, or extended.

(3) PREMIUM.—The term ‘premium’ means the gross amount of premiums and other consideration (including advance premiums, deposits, fees, and assessments) arising from policies issued by a person acting as the primary insurer, adjusted for any return or additional premiums paid as a result of enrollment, credits for reenrollment, or retrospective rating. Amounts returned where the amount is not fixed in the contract but depends on the experience of the insurer or the discretion of policyholders shall not be included in return premiums.

(4) UNITED STATES.—The term ‘United States’ includes any possession of the United States.

(b) TREATMENT OF GOVERNMENTAL ENTITIES.—

(1) IN GENERAL.—For purposes of this subchapter—

(A) the term ‘governmental entity’ includes—

(i) any Federal agency,

(ii) any State and local government,

(iii) any other association plan,

(iv) a medical care plan established or maintained by a single employer, and

(v) the role of medical schools in graduate medical education;

(vi) policies designed to maintain superior research and educational capacities in an increasing competitive health system;

(vii) the Secretary of Health and Human Services and the entities described in paragraph (2);

(C) not later than January 2003, submit an interim report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services; and

(D) not later than January 2005, submit a final report to the Committee on Finance of the Senate, the Committee on Ways and Means of the House of Representatives, and the Secretary of Health and Human Services.

(2) ENTITIES DESCRIBED.—The entities described in this paragraph are—

(A) other advisory groups, including the Council on Graduate Medical Education and the Medicare Payment Advisory Commission;

(B) interested parties, including the Association of American Medical Colleges, the Association of Academic Health Centers, and the American Medical Association;

(C) health care insurers, including managed care entities; and

(D) other entities as determined by the Secretary of Health and Human Services.

(c) APPLICABLE SELF-INSURED HEALTH PLAN.—For purposes of this section, the term ‘applicable self-insured health plan’ means any plan for providing accident or health coverage if any portion of such coverage is provided other than through an insurance policy.

(d) ACCIDENT OR HEALTH COVERAGE EXPENDITURES.—For purposes of this section—

(1) IN GENERAL.—The accident or health coverage expenditures of any applicable self-insured health plan for any month are the aggregate expenditures paid in such month for accident or health coverage provided under such plan for the extent to which such expenditures are not subject to tax under section 4501.

(2) TREATMENT OF REIMBURSEMENTS.—In determining accident or health coverage expenditures during any month of any applicable self-insured health plan, reimbursements (by insurance or otherwise) received during such month shall be taken into account as a reduction in accident or health coverage expenditures.

(3) CERTAIN EXPENDITURES DISCARDED.—Paragraph (1) shall not apply to any expenditure for the acquisition or improvement of land or for the acquisition or improvement of any applicable self-insured health plan which bears the same ratio to the total amount available under section 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.

SEC. 4508. TRANSFER TO ACCOUNTS.

For fiscal year 2002 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.

SEC. 4509. TRANSFER TO ACCOUNTS.

For fiscal year 2002 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.

SEC. 4509A. TRANSFER TO ACCOUNTS.

For fiscal year 2002 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.

SEC. 4510. TRANSFER TO ACCOUNTS.

For fiscal year 2002 and each subsequent fiscal year, there are hereby appropriated and transferred to the Medical Education Trust Fund under title XXII of the Social Security Act amounts equivalent to taxes received in the Treasury under sections 4501 and 4502 of which the provision of accident or health coverage which is subject to the allowance under section 167, except that, for purposes of paragraph (1), allowances under section 167 shall be as expenditures.
(5) Such other individuals as the Secretary determines to be appropriate.

(d) Terms.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Advisory Commission shall serve for the lesser of the life of the Advisory Commission, or 4 years.

(2) SERVICE BEYOND TERM.—A member of the Advisory Commission may continue to serve after the expiration of the term of the member until a successor is appointed.

(e) VACANCIES.—If a member of the Advisory Commission does not serve the term for which appointed, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the individual.

(f) CHAIR.—The Secretary of Health and Human Services shall designate an individual to serve as the Chair of the Advisory Commission.

(g) MEETINGS.—The Advisory Commission shall meet not less than once during each 4-month period and shall otherwise meet at the call of the Secretary of Health and Human Services or the Chair.

(h) COMPENSATION AND REIMBURSEMENT OF EXPENSES.—Members of the Advisory Commission shall receive compensation for services rendered for each day (including travel time) engaged in carrying out the duties of the Advisory Commission. Such compensation may not be in an amount in excess of the maximum rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(i) STAFF.—

(1) STAFF DIRECTOR.—The Advisory Commission shall, without regard to the provisions of title 5, United States Code, relating to competitive service, appoint a Staff Director who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code.

(2) ADDITIONAL STAFF.—The Secretary of Health and Human Services shall provide to the Advisory Commission such additional staff, information, and other assistance as may be necessary to carry out the duties of the Advisory Commission.

(2) TERMINATION OF THE ADVISORY COMMISSION.—The Advisory Commission shall terminate 90 days after the date on which the Advisory Commission submits its final report under subsection (d).

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 7. DEMONSTRATION PROJECTS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (in this section referred to as the ‘‘Secretary’’) shall establish, by regulation, guidelines for the establishment and operation of demonstration projects which the Medical Education Advisory Commission recommends under section 6(b)(1)(B).

(b) FUNDING.—

(1) IN GENERAL.—For any fiscal year after 2001, amounts in the Medical Education Trust Fund under title XXII of the Social Security Act shall be available for use by the Secretary in the establishment and operation of demonstration projects described in subsection (a).

(2) FUNDS AVAILABLE.—

(A) LIMITATION.—Not more than 51/2 of 1 percent of the funds in such Trust Fund shall be available for the purposes of paragraph (1).

(B) ALLOCATION.—Amounts under paragraph (1) shall be paid from the accounts established under paragraphs (2) through (5) of section 2220(a) of the Social Security Act, in the same proportion as the amounts transferred to such accounts bears to the total of amounts transferred to all 4 such accounts for such fiscal year.

(c) LIMITATION.—Nothing in this section shall be construed to authorize any change in the payment methodology for teaching hospitals and medical schools established by the amendments made by this Act.

Mrs. CLINTON. Mr. President, I rise today to ask my colleagues to join me in ensuring that we maintain a steady stream of funding for the crown jewels of our health care system, our Nation’s teaching hospitals. I deeply appreciate Senator Feingold’s leadership on this issue and am proud to join him and other colleagues as an original cosponsor of this important legislation.

Teaching hospitals play a vital role in our Nation’s health care system, both in treatment and research, helping to make our system one of the finest in the world. New York City, for example, leads the world in the number and quality of academic health centers, teaching hospitals, and related medical institutions.

I have long supported academic health center and teaching hospitals, because their work is so essential to our communities. We rely on them to train physicians and nurses, care for the sickest and the poorest of the poor, and engage in research and clinical trials. Thanks to the research, for example, at Memorial Sloan-Kettering, cancer patients will suffer less while receiving chemotherapy because of a drug that was developed there. And a drug that allows balloon angioplasty to save lives was developed at SUNY Stony Brook.

As my predecessor and friend, Senator Daniel Patrick Moynihan, who I am so honored to be following in the footsteps of, put it so well a few years ago, “We are in the midst of a great era of discovery in the medical science. It is certainly not a time to close medical schools. This great era of medical discovery is occurring here in the United States, not in Europe like past ages in scientific discovery. And it is centered in New York City.”

But our Nation’s teaching hospitals are at risk. Cuts to Medicare have lowered reimbursements for teaching hospitals and another reduction, which I will work with my colleagues to prevent, is scheduled to take place next year. Teaching hospitals have higher costs not only because of the training function but also because they treat patients who require some of the most costly procedures and require longer hospital stays. In addition, the use of advanced technology and presence of experts in various fields also add to teaching hospitals’ expenses.

All of us, who rely on the expertise of our doctors, and have access to new technologies, as well as the state-of-the-art services academic medical centers and teaching hospitals offer, benefit from the creation of a trust fund to ensure a steady stream of funds dedicated for these purposes. Some states, including mine, have sought to address these funding needs themselves. However, as Senator Moynihan also pointed out, New York State’s GME fund was created as a temporary solution until a Federal fund could be created.

I urge my colleagues in joining me with their support for this critical investment in our teaching hospitals so that they can continue to lead the world in training highly-qualified medical professionals, and generating the state-of-the-art research and treatment that they can continue to lead the world in training highly-qualified medical professionals, and generating the state-of-the-art research and treatment that
about this issue, and he assured me that he would seek to address this issue in his committee. In this vein, I would like to ask the Senator from Iowa, the chairman of the Finance Committee, if he also will work with me to address this problem in the context of the tax bill this year.

Mr. GRASSLEY. Yes, I would be pleased to work with the Senator from Texas on this matter, and pledge my good faith to give serious consideration to including language that meets her concerns in an appropriate tax bill in the near future.

Mrs. HUTCHISON. I’d like to thank the distinguished chairman of the Finance Committee, and I look forward to working with him.

Mr. LIEBERMAN. Mr. President, I am pleased to cosponsor this bill, and I thank my colleague, the Senator from Texas, for working with me to draft this bill in a manner that achieves its purpose, but does not open any loopholes in the original section 527 reform law.

Last year, Congress passed the first significant campaign finance reform measure in a quarter of a century. The so-called section 527 reform bill dealt with loophole development—a whereby organizations that received tax-exempt status by telling the IRS that they existed to influence elections denied the very same thing to the FEC. As a result, these self-proclaimed election organizations engaged in election activity without complying with any aspect of the election laws, influencing our elections without the American public having any idea who, or what, was behind them.

Our law put a stop to that, by requiring organizations claiming tax-exempt status under section 527 of the Internal Revenue Code to do three things: 1. give notice of their intent to claim that status; 2. disclose information about their large contributors and their big expenditures; and 3. file annual informational returns along the lines of those filed by virtually all other tax-exempt organizations.

During the nine months or so that the 527 reform law has been in effect, that law has blasted sunshine onto the previously shadowy operations of a multitude of election-related organizations. Through the filings mandated by that law, the American public has learned about who is financing many of these organizations and how these organizations are spending their money.

But the law has had another impact, and that is to impose new reporting requirements on a group of organizations that already fully disclose to the public all of the activities covered by the 527 reform law. This bill gives relief to those organizations. In particular it grants relief from the 527 reform law to two categories of organizations that are deeply involved only in State and local elections and that already fully disclose their activities. I thank my colleague from Texas for working with me to ensure that we accomplish that goal without opening up any loopholes in the 527 reform law that will allow undisclosed money to reenter our election system.

First, the bill provides new exemptions for State and local candidate committees. Under the reform law, committees of candidates for State or local office have to notify the IRS of their intent to claim section 527 status, and they have to file annual informational returns if they have over $25,000 in gross receipts. Since the reform law went into effect, we have become convinced that the burden these requirements imposes on State and local candidate committees outweigh the public purpose served by requiring them to comply with these mandates.

In contrast to other types of political committees, State and local candidate committees often are not permanent organizations. They often crop up a few months before an election and then cease to exist shortly after the election. They are often staffed by volunteers and run on a shoe string budget. Any new paperwork requirement—regardless of how reasonable it may be in other contexts—can put a significant burden on these minimally staffed and often short-lived committees.

At the same time, State and local candidate committees do not pose the threats the 527 law intended to address. In contrast to other political committees, there is never any doubt as to who is running the candidate committee and as to whose agenda the candidate committee aims to promote. Just as importantly, State laws regulate and require disclosure from all candidate committees.

We therefore have concluded that even though we do not believe the 527 reform law’s mandates to be particularly burdensome in general, State and local candidate committees present a special case one that warrants exempting them from the reform law’s requirements to file a notice of intent to claim section 527 status and to file an annual return even if the organization does not have taxable income. I note, though, that these organizations still will have to file and make public annual returns if they have taxable income.

The second group to which we are granting a lesser degree of relief is a familiar one about which we have been concerned—Section 527 organizations involved only in State elections and files information about some of its activities with a State agency would risk creating a massive loophole that could undermine the 527 reform law. That is because just as prior to the passage of the 527 reform law, some 527 groups were claiming that they were trying to influence elections for the purposes of the tax code, but not for the purposes of the election laws, a broad exemption for State or local PACs could lead some groups to claim that they are influencing State elections for the purposes of section 527 but not for the purposes of the State disclosure laws.

So, we have reached the following compromise. First, we are not exempting any of these organizations from the section 527(i) notice requirements. Unlike candidate committees, PACs generally are not transient, volunteer-staffed organizations. For that reason we believe the minimal effort required to file the 527(i) notice is worth the tremendous value of giving the public some basic information about these groups.

Second, we are granting an exemption from the section 527(j) contribution and expenditure reporting requirements to some of these organizations, but only if they can meet certain strict requirements. The group’s so-called exempt function activity must focus exclusively on State or local elections. The group must file with a State agency a notice of intent to engage in election and expenditure it would otherwise be required to disclose to the IRS. In addition, these State filings must be pursuant to a State law that requires these groups to file the State reports; this requirement seeks to prevent organizations from hiding truly federal activity by voluntarily reporting to a State where reports may not be as readily accessible as are federal reports. Moreover, no group will be able to take advantage of this exemption if the State reports its files are not publicly available both from the State agency with which the report is filed and from the group itself. Finally, this exemption also is not available to any organization which a candidate or office or someone who holds elected federal office plays a role—whether through helping to run the organization, soliciting money for the organization or deciding how the organization spends its money. Finally, these exemptions from section 527(j) reporting obligations only those groups that truly and legitimately engage in exclusively State and
local activity and only when they already report publicly on all of the information the 527 law seeks.

Finally, the bill makes a small change to these State and local groups’ obligation to file an annual information return. They do not have to file tax-exempt income. Under the current law, they must file such returns when they have $25,000 in annual receipts; the bill increases that trigger to $100,000. Like all other 527 organizations, though, they will have to file such returns if they have taxable income.

Again, let me thank Senator HUTCHINSON for her efforts on this bill. I believe we have worked out a good compromise, one that grants the relief where it is warranted, but does not in any way threaten to open up a loophole in the law. I thank her for that, and I yield the floor.

Mr. FEINGOLD. Mr. President, I am pleased by the willingness to withdraw that amendment so that we could come together to pass commonsense reforms that give the public more information about and more confidence in the political process. As that law went into effect, we have heard legitimate complaints from state and local candidates and PACs, which are in fact exempt from taxation under section 527 of the Internal Revenue Code, about the burden of complying with the registration and reporting requirements of the law.

Senator HUTCHINSON brought this issue to the fore by offering an amendment to the campaign finance bill that we passed on Monday. I very much appreciate her willingness to withdraw that amendment so we could work out the details together and avoid creating a blue-slip problem with the House that might delay the overall campaign finance bill.

The challenge was to address the legitimate concerns raised by state candidates and PACs without opening new loopholes in the law so soon after its enactment. Particularly as we stand poised to enact even more far reaching reforms in the McCain-Feingold bill, it is extremely important that we not weaken existing law in a way that might be exploited by groups wanting to avoid the sunshine that the 527 disclosure law provided. I believe that the Senate from Texas and the Senator from Connecticut have successfully negotiated this difficult terrain. I am proud to support this bill, and I hope it will be quickly enacted.

By Mr. LEAHY (for himself, Mr. JEFFORDS, Mr. FEINGOLD, Mr. BINGAMAN, and Mr. DODD):

S. 745. A bill to amend the Child Nutrition Act of 1966 to promote better nutrition among school children participating in the school breakfast and lunch programs; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. LEAHY. Mr. President, I am today introducing a simple, yet forceful, bill designed to address a growing problem among school children. I am tired of major soft drink companies trying to take school lunch money away from children.

It is one thing to see the school bully to take lunch money from school kids, it is another for Coca-Cola or Pepsi to take it. In some areas, school scoreboards and school uniforms are now plastered with soda ads under exclusive contracts with vending machines all over the place.

According to a report issued by the Center for Science in the Public Interest, 20 years ago boys consumed more than twice as much milk as soda, and girls 50 percent more; now boys and girls consume twice as much soft drink as they do milk.

I had a huge battle with Coca-Cola in 1994 when they tried to derail my child nutrition bill—the Better Nutrition Act of 1994—because I wanted schools to know they had the right to ban soda vending machines if they chose.

That 1994 controversy began when Coca-Cola sent out letters to school authorities around the country, saying they did not want schools to know they had the right to ban soda vending machines if they chose.

I recently heard from one of my constituents on this issue while Jenny Dorman is only in 6th grade, she has a great deal of wisdom for her age. Her letter gets right to the point on this important issue of how soda consumption impacts health. I ask unanimous consent that her letter be included in the Record.

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

DEAR SENATOR LEAHY, I was getting ready for school when my mom told me to look at your article. I want to tell you that I’m with you 100 percent. I used to be a soda addict, and would drink nothing else. Last year in health class the teacher taught us what soda does to your bones. There is 2 percent of calcium in your bones, 1 percent in your teeth, the other 1 percent is in your blood. Soda robs your bones of calcium. If there isn’t enough calcium in your blood, your body goes to your bones, where
lots of calcium is found. If the soda and your body keeps taking calcium, your bones will get really brittle and easy to break. When you’re old you can be very likely to have osteoporosis. Once I learned that, I stopped drinking soda altogether. No, not only drink water, milk, and one in a while Sprite. I’m in my 6th grade now and I haven’t had soda for over a year! I haven’t had it in so long that even if I get a tiny bit of soda I get a sick feeling inside. Now I’m desperately trying to get the rest of my family off it by switching Sprite with water. Ha Ha!  

JENNY DORMAN,  
Stockbridge School.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 746. A bill to express the policy of the United States regarding the United States relationship with Native Hawaiians and to provide a process for the recognition by the United States of the Native Hawaiian governing entity, and for other purposes; to the Committee on Indian Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce a bill with my friend from the Senate, the senior Senator from Hawaii, Mr. INOUYE which would clarify the political relationship between Native Hawaiians and the United States. This measure would extend the federal policy of self-determination and self-governance to Hawaiians’ indigenous, native peoples, Native Hawaiians, thereby establishing parity in federal policies towards Native Hawaiians, Alaska Natives and American Indians.

The bill we introduce today is a modified version of legislation we introduced on January 22, 2001. This modified version improves upon our efforts to clarify the political relationship between Native Hawaiians and the United States. Federal policy towards Native Hawaiians has closely paralleled that of our indigenous brothers and sisters, the Alaska Natives and American Indians. This bill provides a process for federal recognition of the Native Hawaiian governing entity for a government-to-government relationship with the United States.

This bill does three things. First, it provides a process for federal recognition of the Native Hawaiian governing entity. Second, it establishes an office within the Department of the Interior to focus on Native Hawaiian issues and to serve as a liaison between Native Hawaiians and the Federal government. Finally, it establishes an interagency coordinating group to be composed of representatives of federal agencies which administer programs and implement policies impacting Native Hawaiians.

This measure does not establish entitlements or special treatment for Native Hawaiians based on race. This measure focuses on the political relationship afforded to Native Hawaiians based on the United States’ recognition of Native Hawaiians as the aboriginal, indigenous peoples of Hawaii. As we all know, the United States’ history with its indigenous peoples has been dismal. In recent decades, however, the United States has engaged in a policy of self-determination and self-governance with its indigenous peoples. Government-to-government relationships provide indigenous peoples with the opportunity to work directly with the federal government on policies affecting their lands, natural resources and many other aspects of their wellbeing. This measure extends this policy to Native Hawaiians who have paralleled that of Native American Indians and Alaska Natives, the federal policy of self-determination and self-governance, has not yet been extended to Native Hawaiians. This measure extends this policy to Native Hawaiians, thus furthering the process of reconciliation between Native Hawaiians and the United States.

This measure does not impact program funding for Native Americans and Alaska Natives programs for Native Hawaiian health, education and housing are already administered by the Departments of Health and Human Services, Education, and Housing the Urban Development. The bill I introduce today is a measure which makes clear that this bill does not authorize eligibility for participation in any programs and services provided by the Bureau of Indian Affairs.

This bill does not authorize gaming in Hawaii, it is the same as that contained in the Indian Gaming Regulatory Act, IGRA, does not apply to the Native Hawaiian governing entity. Hawaii is one of two states in the Union which criminally prohibits all forms of gaming. Therefore, I want to make clear that this bill would not authorize the Native Hawaiian governing entity to conduct any type of gaming in Hawaii.

Finally, this measure does not preclude Native Hawaiians from seeking to participate in the casino arena. Hawaii’s policy is that the right of self-determination within the framework of federal law and seeks to establish equality in the federal policies extended towards American Indians, Alaska Natives and Native Hawaiians. We introduced similar legislation during the 106th Congress. While the bill was passed by the House of Representatives, the Senate failed to consider it prior to the adjournment of the 106th Congress. This bill was widely supported by our indigenous brethren, American Indians and Alaska Natives. It was also supported by the Hawaii State Legislature which passed a resolution supporting a government-to-government relationship between Native Hawaiians and the United States. Similar resolutions were passed by the Japanese American Citizens’ League and the National Education Association.

Mr. President, when most people think of Hawaii, they think of paradise. I agree, it is paradise. However, the essence of Hawaii is captured not by the physical beauty of its islands, but by the beauty of its people. Those who have lived in Hawaii have a unique demeanor and attitude which is appropriately described as the “Aloha” spirit. The people of Hawaii demonstrate the Aloha spirit through their acceptance of their generosity, through their appreciation of the environment and natural resources, through their willingness to care for each other, through their genuine friendliness.

The people of Hawaii share many ethnic backgrounds and cultures. This mix of culture and tradition is based on the unique history of Hawaii. The Aloha spirit is generated from the pride we share in the culture and tradition of Hawaii’s indigenous, native peoples, the Native Hawaiians. Hawaii’s state motto, “Ua mau ke‘ea ‘o ka ‘aina i ka pono,” which means “the life of the land is perpetuated in righteousness,” captures the culture of Native Hawaiians. Prior to western contact, Native Hawaiians lived in a society, in distinct and structured communities steeped in science. The Native Hawaiians honored their aina, land, and environment, and therefore developed methods of irrigation, agriculture, aquaculture, medicine, fishing and other forms of subsistence whereby the land and sea were efficiently used without waste or damage. Respect for the environment formed the basis of their culture and tradition. It is from this tradition that the Aloha spirit, which is demonstrated throughout Hawaii, by all of its people, has endured and flourished.

In 1978, the people of Hawaii acted to preserve Native Hawaiian culture and tradition by amending Hawaii’s state constitution to establish the Office of Hawaiian Affairs to give expression to the right of self-determination and self-governance at the state level for the state’s indigenous population, the Native Hawaiians. Starting with statehood, Hawaii endeavored to address and protect the rights and concerns of Hawaii’s indigenous peoples in accordance with authority delegated under federal policy. The constraints of this approach are evident. This bill extends the federal policy of self-determination and self-governance to Native Hawaiians at the federal level through a government-to-government relationship with the Native Hawaiian governing entity.

This measure is not being introduced to circumvent the 1999 United States Supreme Court decision in the case of Rice v. Cayetano. The Rice case was a voting rights case whereby the Supreme Court held that the State of Hawaii must allow all citizens of Hawaii to vote for the Board of Trustees of a quasi-state agency, the Office of Hawaiian Affairs.

The Office of Hawaiian Affairs was established by citizens of the State of Hawaii as part of the 1978 State of Hawaii Constitutional Convention. The Office of Hawaiian Affairs administers Congression...
programs and services for Native Hawaiians. The State constitution provided for nine trustees who were Native Hawaiian to be elected by Native Hawaiians. Following the Supreme Court’s ruling in Rice v. Cayetano, the election was not only open to all citizens, but the State of Hawaii, the Hawaiians were deemed eligible to serve on the Board of Trustees. Where- as the Rice case dealt with voting rights and the State of Hawaii, the measure we introduce today addresses the federal policy of self-determination and self-governance and does not in- volve the Office of Hawaiian Affairs.

This measure is critical to the people of Hawaii as it begins a process to ad- dress many longstanding issues facing Hawaii’s indigenous peoples and the State of Hawaii. By addressing and re- solving these matters, we begin a proc- ess of healing, a process of reconcili- ation not only within the United States, but within the State of Hawaii. The time has come for us to be able to address these deeply rooted issues in order for us to be able to move forward as one. I cannot emphasize how important this measure is for the people of Ha- waii. I will not address the issue by its known for its physical beauty, its true essence is in its people. The time has come to provide Hawaii’s indigenous peoples with the opportunity to engage in a government-to-government rela- tionship with the United States. I look forward to working with my colleagues to enact this critical measure.

By Mrs. BOXER:

S. 748. A bill to authorize the Attor- ney General to make grants to local educational agencies to carry out school violence prevention and school safety activities in secondary schools; to the Committee on the Judiciary.

Mrs. BOXER. Mr. President, we have seen in the past four weeks. Two of these were in my state of California; the latest shooting was in my colleagues’ state of Indiana. These shootings have been ter- rifying for all of us, children, parents, community members, and the nation as a whole. We must stop these acts of violence, now. We cannot wait for an- other young life to slip through our hands.

These incidents have reminded us that no place is safe from gun violence. Principals think about the safety of their schools every day; parents worry about the safety of their children’s classrooms every day; and children walk to school unsure of their own safety every day. This is sad, but this is the reality.

Today I am proposing to change this reality. My bill reaffirms our commit- ment to school safety by creating a permanent School Safety Fund. This Fund will allow the Attorney General to provide grants to school districts so that they can create their own comprehensive school safety strategies, in- corporating both violence prevention and school safety activities.

What might be included in these safety strategies?

Schools could establish hotlines and tiplines, so that students could anony- mously report potentially dangerous situations. They could hire more com- munity police officers and purchase se- curity equipment. I would argue that all schools could use more counselors, psychologists, and school social work- ers, that could help them.

Schools could use the funds to train teachers and administrators to identify the early warning signs of troubled youth. They could also use the funds to teach our students conflict resolution programs, and to set up a mentoring program for students.

The bottom line is clear: each school needs to decide the extent of its prob- lem, and decide what solution would be best for its community. My bill gives school districts the leeway they need to decide how to do this, and to determine what federal funds to attack school violence where it happens: in the schools.

This approach, in and of itself, is not a novel idea. Since 1999, the federal government has funded a program called “COPS In Schools.” A co-laboration between the Department of Justice, the Department of Education, and the Department of Health and Human Services, Safe Schools provides grants to school districts to do the activities outlined above. In fact, 77 school districts have already been awarded funds. Why, then, is my bill necessary?

My bill does two important things. One, it writes this program into law. Currently, the Appropriations Com- mittee decides year-to-year whether to fund this initiative. This program is important—important enough to war- rant an authorization. My amendment codifies these grants through fiscal year 2006.

Second, and perhaps most important, my bill speaks to how these grants are funded. All funding would come di- rectly from the Violent Crime Reduc- tion Trust Fund. And rather than set a specific authorization level—rather than pull a number out of thin air and declare that number the “need”, my bill would give discretion to the Attor- ney General to decide how many grants should be awarded, and how much money each grantee should receive.

For example, if a crisis arises, the Attorney General has the flexibility to distribute grants as he sees fit. He does not have to wait for Congress to act, or watch as Congress fails to act. He can identify the need, and address it imme- diately. On the flip side, if school safe- ty problems improve, as all of us hope, then the Attorney General can spend less on school safety. Again, it is up to his discretion.

You know as well as I do that school safety is a serious problem. We cannot simply stand by the wayside and allow violence to continue disrupting the lives of students and communities. My bill recognizes the widespread reach of these violent outbreaks, and tells com- munities that the federal government will not fail them. Communities are eager to protect their schoolchildren, and this bill will give them an oppor- tunity to do so.

By Mrs. BOXER: S. 748. A bill to make schools safer by waiving the local matching require- ment under the Community Policing program for the placement of law en- forcement officers in local schools; to the Committee on the Judiciary.

Mrs. BOXER. Mr. President, last month there were two school shootings in my state. A mere seventeen days and six miles away from each other, they claimed the lives of two students and wounded eighteen others. These shootings were terrible tragedies for their communities, and a painful re- minder of the fragile security of our nation’s schools.

To combat these tragic acts of vio- lence, many schools employ safety strategies that protect the millions of children, teenagers and adults that at- tend them every single day. The federal government plays a role in many of these programs. My amendment speaks to one of them: COPS In Schools.

Although we passed the COPS pro- gram in 1994, it was not until 1998 that the Department of Justice created a specific COPS In Schools program. Since then, nearly 3,800 police officers have been placed in 1,800 school dis- tricts across the nation. California alone has put 270 new police officers in schools across the state.

Unfortunately, not all schools are so lucky. At the time of last month’s shooting at Santana High School in Santee, California, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in Santee, California, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in Santee, California, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in Santee, California, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in Santee, California, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in Santee, California, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in Santee, California, the school happened by pure luck to have two law enforce- ment officials near campus. The shooting spree at Santana High School in Santee, California, the school happened by pure luck to have two law enforce-ment officials near campus.
improve procedures to ensure a safer school environment, and reassure parents that a police officer is there to deal with those students that might cause problems.

Local governments are required to provide for the hiring of police officers unless the Attorney General grants them a waiver. Under Attorney General Janet Reno, communities routinely received federal funding to hire police officers for schools without having to contribute funds. This was extremely generous, and I am hopeful that this policy will continue.

To ensure that it does, my bill permanently waives the local matching fund requirement for placing a police officer in a school. No child, teenager or adult attending one of America’s public schools should be put in danger simply because of a lack of funding. Communities should be able to put police officers in their schools. My bill allows them to do just that.

We know that having police officers in schools works. They help ensure the safety of our schools, our schoolchildren and our faculty every single day. I encourage my colleagues to show their commitment to our students by supporting this bill.

By Mr. FITZGERALD (for himself, Mr. SCHUMER, Mr. JEFFORDS, Mr. BINGAMAN, Mr. DEWINE, Mrs. CLINTON, Ms. COLINS, Mr. LIEBERMAN, Mr. MCCAIN, Mr. KERRY, Mrs. FEINSTEIN, Ms. SNOWE, Mrs. BOXER, Mr. SMITH of Oregon, and Mr. TORICELLI):

S. 749. A bill to provide that no Federal income tax shall be imposed on amounts received by victims of the Nazi regime or their heirs or estates, and for other purposes; to the Committee on Finance.

Mr. FITZGERALD. Mr. President, today I introduce the Holocaust Survivors Tax Fairness Act of 2001. This important legislation would prevent the federal government from imposing the federal income tax on Holocaust restitution or compensation payments that victims of their heirs may receive.

More than 50 years after the end of World War II, many banks and companies in Europe are beginning to return stolen艺术品 from victims of the Holocaust and their heirs. In August of 1998, two of the largest banks in Switzerland agreed to distribute $1.25 billion as restitution for assets wrongfully withheld during the Nazi reign. And in February of 1999, the German government agreed to establish a fund to compensate victims of the Holocaust. The legislation I am introducing ensures that the beneficiaries of these settlements and other Holocaust restitution or compensation arrangements can exclude the proceeds from taxable income on their federal income tax forms.

Holocaust survivors and their families have lived through unspoken tragedies. While the restitution settlements pale in comparison to what they have lost, this measure ensures that survivors can keep all of what was returned to them without being unnecessarily burdened by taxes.

The legislation a clear message that to allow the federal government to tax away any reparations obtained by Holocaust survivors or their families because of their persecution by the Nazis is simply unacceptable. Given that the average age of Holocaust survivors now exceeds 80 years of age, we believe it is imperative that the Congress act now to prevent the federal government from attempting to tax this money.

Similar legislation was agreed to by the Senate as an amendment to the Taxpayer Refund Act of 1999. The provision was retained in conference and included in the Taxpayer Refund and Relief Act of 1999. The final bill was vetoed, however, preventing this important provision regarding Holocaust reparations from becoming law.

After over 50 years of injustice, Holocaust survivors and their families are reclaiming what is rightfully theirs. Even as we support these efforts to reclaim stolen property, we must do our part in protecting the proceeds.

By Mr. BIDEN:

S. 750. A bill to amend the Internal Revenue Code of 1986 to provide the same tax treatment for danger pay allowance as for combat pay; to the Committee on Finance.

Mr. BIDEN. Mr. President, today I introduce a bill which would right a wrong, a small wrong, but a wrong nevertheless. It affects a handful of our nation’s diplomats who serve in the world’s most dangerous places: places like Bosnia and Lebanon. Our diplomats serve in some pretty difficult places, often in harm’s way, just as our soldiers do.

These diplomats who serve in the most dangerous places receive a special allowance, which is aptly called “danger pay.” This allowance is not unlike pay that our financial, our military when they are in combat. In fact, in some places where our military and diplomatic personnel serve side by side, both receive a special allowance for their sacrifices.

The military justifiably receives this benefit tax-free. But our diplomatic personnel do not. Through an oversight in the Internal Revenue code, diplomats are taxed on their danger pay, even though they often face similar hardships and dangers. I think that’s wrong.

The bill I introduce today, I have a bill which would right this wrong. It affects just a handful of people. But to them it will serve as recognition of the sacrifices that make when they represent the American people in dangerous places overseas.

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:

By Mr. BIDEN:

S. 750

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

SECTION 1. TREATMENT OF DANGER PAY ALLOWANCE.

(a) IN GENERAL—Subchapter C of chapter 80 of the Internal Revenue Code of 1986 (relating to combat pay allowance under section 3401) is amended by adding at the end the following:

"SEC. 7874. TREATMENT OF DANGER PAY ALLOWANCE.

"(a) GENERAL RULE.—For purposes of the following provisions, a danger pay allowance area shall be treated in the same manner as if it were a combat zone (as determined under section 112):"

"(1) Section 2(a)(3) (relating to special rule where deceased spouse was in missing status)."

"(2) Section 112 (relating to the exclusion of certain combat pay of members of the Armed Forces)."

"(3) Section 692 (relating to income taxes of members of Armed Forces on death)."

"(4) Section 2201 (relating to members of the Armed Forces dying in combat zone or by reason of combat-zone-incurred wounds, etc.)."

"(5) Section 4251(a)(1) (defining wages relating to combat pay for members of the Armed Forces)."

"(6) Section 4253(d) (relating to the taxation of phone service originating from a combat zone from members of the Armed Forces)."

"(7) Section 6013(f)(i) (relating to joint return where individual is in missing status)."

"(8) Section 7506 (relating to time for performing certain acts postponed by reason of service in combat zone)."

"(b) DANGER PAY ALLOWANCE AREA.—For purposes of this section, a "danger pay allowance area" means any area in which an individual receives a danger pay allowance under section 8928 of title 5, United States Code, for services performed in such area."

"(c) EFFECTIVE DATE.—The amendments made by this section shall apply to remuneration paid in taxable years ending after the date of the enactment of this Act.

By Mrs. CLINTON:

S. 751. A bill to express the sense of the Senate concerning a new drinking water standard for arsenic; to the Committee on Environment and Public Works.

Mrs. CLINTON. Mr. President, when Americans turn on their taps, they expect the water that comes out to be clean and safe. Unfortunately, that is not always the case.

I rise today to ask my colleagues to join me in expressing our support for the new health and science-based standard for arsenic in drinking water. The stronger standard can protect millions of Americans from a known carcinogen. A 1999 National Academy of Sciences report concluded that chronic ingestion of arsenic causes bladder, lung, and skin cancer. The Administration’s proposal to adopt the new standard puts the public health at risk.

The science is clear. The National Academy of Sciences has concluded

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that the current standard, which has not been revised in nearly 60 years, does not meet EPA's goal of public-health protection and has urged that it be revised as quickly as possible.

The new, more protective arsenic standard of 10 parts per billion would put our nation's drinking water standard for arsenic in line with drinking water standards set at the state level, as well as international standards. The World Health Organization has established a guideline for arsenic in drinking water of 10 parts per billion, indicating that the value would be even lower if it were based on health concerns alone, without consideration for the technological and financial capabilities of certain countries.

Withdrawing this important new drinking water standard for arsenic also creates uncertainty for communities across the country that will ultimately need to construct or upgrade water treatment facilities to meet the new standard. These communities need and deserve as much time as is possible to come into compliance with the new standard.

This bill that I am introducing today expresses the Sense of the Senate that to provide maximum protection for public health and a maximum amount of time for communities to accommodate a new drinking water standard for arsenic, the new standard for arsenic in drinking water should be set no later than the statutory deadline of June 22, 2001.

Rather than rolling back science-based, public health standards for our nation's drinking water, we should be rolling up our sleeves and investing in our water infrastructure so that America's families can rest assured that their drinking water is clean and safe.

By Mr. BURNS:

S. 752. A bill to amend the Internal Revenue Code of 1986 to reclassify computer equipment as 3-year property for purposes of depreciation; to the Committee on Finance.

Mr. BURNS. Mr. President, I rise today, to introduce the Technology Depreciation Reform Act of 2001. This bill will update the U.S. Tax Code to reflect the evolution of the computer and other high-tech industries.

High-tech hardware is subjected to an outdated tax code. Currently, businesses must depreciate their computer equipment over a five year period. I believe this five year depreciation life for tax purposes is clearly outdated. Many companies today must update their computers as quickly as every 14 months in order to stay current technologically.

Depreciation schedules for technology assets have not been reformed since 1986. This legislation will amend the U.S. Tax Code by reducing the depreciation schedule for high-tech equipment from five years to three years.

I believe it is time to update an outdated tax code to reflect the realities of today’s technology-based workplace. A five year depreciation schedule for business computers is no longer realistic.

The Computer Depreciation Reform Act allows every company, from the neighborhood one-room estate office, to the local hospital, to the local bank to depreciate their computer equipment on a three year schedule. As a result, these companies will no longer be forced to pay for their high-tech equipment long after its useful life has become obsolete.

In short, the tax code is outdated for high-tech hardware. The five year schedule for technology assets is particularly outdated. In fact, this is an ice age for computer technologies. As the chairman of the Communications Subcommittee, I am very aware of the impact this is having on small businesses. Congress has not addressed this issue since 1986. However, the industry has evolved dramatically since that time.

I look forward to working with my colleagues on both sides of the aisle to update the tax code to reflect the realities of today’s technological workplace.

By Mr. BREAUX (for himself, Mr. CRAIG, Mr. DORGAN, Mr. BURNS, Mr. CONRAD, Mr. ENZI, Ms. LANDRIEU, Mr. THOMAS, Mr. GRAHAM, Mr. CRAPO, Mr. BAUCUS, Mr. NEELSON of Nebraska, Mr. DAYTON, Mr. INOUYE, Mr. AKAKA, Mr. ALLARD, and Mr. HARKIN):

S. 753. A bill to amend the Harmonized Tariff Schedule of the United States to prevent circumvention of the sugar tariff-rate quotas; to the Committee on Finance.

Mr. BREAUX. Mr. President, unfair trade practices cannot and will not be tolerated. American jobs are hurt, industry suffers, and our economy loses.

Importing stuffed molasses into the United States is a classic example of an unfair trade practice being conducted in this country. Its importation circumvents the United States' GATT-legal sugar import tariff rate quota. It's time to end this scheme because our domestic sugar industry is being hurt by it.

As a trade practice, importing stuffed molasses is a crafty, refined scheme.

Stuffed molasses consist of refined sugar being mixed with water and molasses for the purpose of disguising the refined sugar so it can evade the United States' GATT-legal tariff rate quota.

In its disguised state, stuffed molasses has no legitimate commercial use. It does, however, circumvent our legitimate sugar import tariff rate quota.

Once stuffed molasses is brought into the United States, the refined sugar is extracted from the water and molasses then enters the United States' refined sugar and specifically-processed sugar market.

We deeply appreciate their interest and support.
2993, with Senator Kohl, to give the Federal Trade Commission, FTC, and the Department of Justice, DOJ, the ability to effectively enforce antitrust laws concerning contract and payment arrangements between drug companies which could hurt consumers.

Under current law, companies are required to give the FTC and the Justice Department the information they need to prevent manufacturers of patented drugs—often known as brand-name drugs—from simply paying generic drug companies to keep lower-cost products off the market. These deals which prevent competition hurt senior citizens, hurt families, and cheat healthcare providers.

These deals prevent competition and their generic partners then share the profits gained from cheating American families.

The companies have been able to get away with this by signing secret deals with each other not to compete. Our bill, the “Drug Competition Act of 2001”, will expose these deals and subject them to immediate investigation and appropriate action by the Federal Trade Commission or the Justice Department.

This solves the most difficult problem faced by federal investigators: finding out about the improper deals. This bill does not change the so-called Hatch-Waxman Act, does not amend FDA law, and it does not slow down the drug approval process. It allows existing antitrust laws to be enforced by ensuring that the enforcement agencies have information about no-compete deals. The same confidentiality required applies when the FTC and to DOJ, as under current law.

The issue of making deals which prevent competition was addressed in a New York Times editorial titled, “Driving Up Drug Prices,” published on July 26, 2000. The editorial noted that even though the FTC “is taking aggressive action to curb the practice. It needs help from Congress to close loopholes in federal law.”

This bill is that help, and the bill slams the door shut on would-be violators by exposing their deals to our competition enforcement agencies.

Under current law, manufacturers of generic drugs are encouraged to challenge weak or invalid patents on brand-name drugs so that consumers can enjoy lower generic drug prices.

Current law grants these generic companies a temporary protection from competition to the first manufacturer to sell a generic drug before the patent on the brand-name drug expires.

This approach then gives the generic drug manufacturer a 180-day head start on other generic companies.

That was a good idea. The unfortunate loophole that has been open to exploitation is the fact that secret deals can be made that allow the manufacturer of the generic drug to claim the 180-day grace period, to block other generic drugs from entering the market, while, at the same time, getting paid by the brand-name manufacturer for not selling the lower-cost generic drug.

The bill we are introducing today will shut this loophole down for companies who want to cheat the public, but keeps the system the same for companies engaged in true competition with each other. This bill would give the FTC or the Justice Department the information they need to take quick and decisive action against companies driven more by greed than by good sense.

It is important for Congress not to overreact to these outrages by throwing out the good with the bad. Most generic companies want to take advantage of this 180-day provision and deliver quality generic drugs at much lower costs for consumers. We should not eliminate the incentive for them to do that.

Instead, we should let the FTC and DOJ look at every single deal that could lead to abuse so that only the deals that are consistent with the intent of that law will be allowed to stand.

We look forward to suggestions from other Members on this matter and from brand-name and generic manufacturers who will work with us to make sure this loophole is closed.

We are pleased that Congressman Waxman will introduce a companion bill in the House of Representatives. I look forward to working with him and with the other cosponsors in this effort.

I ask unanimous consent that a brief summary of this 180-day provision and the Drug Competition Act be printed in the RECORD.

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

SUMMARY OF THE DRUG COMPETITION ACT OF 2001

The bill facilitates Federal Trade Commission and Department of Justice confidential review of agreements between brand-name drug manufacturers and potential generic competitors that are more efficiently enforcing exist antitrust laws.

The bill covers brand-name drug manufacturers and generic manufacturers that enter into agreements regarding the sale or manufacture of a potentially competing generic equivalent (of any particular brand-name drug).

In cases where those agreements could have the effect of limiting sales of that generic-equivalent drug, or could limit the research or development of that competing generic, both (or all) companies are required to file the texts of those agreements with the Federal Trade Commission, and with the Attorney General within 10 business days after the agreement is executed.

Failure to file may result in a civil penalty or an injunctive order of up to $10 million for each day the agreement is in effect.

No existing time limits, requirements, or patent or drug approval systems are affected by this limited filing requirement. The bill does not amend the Sherman Act, other antitrust laws, the Federal Trade Commission Act, the Hatch-Waxman Act or other drug safety laws, the Federal Food and Cosmetic Act, or any patent or drug safety law.

STATEMENTS ON SUBMITTED RESOLUTIONS—APRIL 5, 2001

SENATE RESOLUTION 66—EXPRESSING THE SENSE OF THE SENATE REGARDING THE RELEASE OF TWENTY-FOUR UNITED STATES MILITARY PERSONNEL CURRENTLY BEING DETAINED BY THE PEOPLE’S REPUBLIC OF CHINA

Mr. THOMAS (for himself, Mr. KERRY, Mr. WARNER, Mrs. FEINSTEIN, Mr. MURkowski, Mr. BIDEN, Mr. LUGAR, Mr. SMITH of Oregon, Mrs. CLINTON, Mr. BROWNBACK, Mr. BAUCUS, Mr. ROBERTS, Mr. NELSON of Florida, Mr. LIEBERMAN, Mr. KENNEDY, Mr. DODD, Mr. TORRICELLI, Mr. CORZINE, Mr. MCCONNELL, Mr. LEVIN, Mrs. BOXER, Mr. WELLSTONE, Mr. DASCHLE, Mr. ROCKEFELLER, Mrs. CARNahan, Mr. CONRAD, Mrs. MURRAY, Mr. THURMOND, Mr. CRAPO, Mr. DORGAN, Mr. BAYH, Mr. CAMPBELL, Ms. CANTWELL, Ms. COLLINS, Mr. EDWARDS, Mr. KOHL, Mr. HUTCHINSON, Mr. FITZGERALD, Mr. INOUYE, Mr. JOHNSON, and Ms. SNOWE) submitted the following resolution; which was referred to the Committee on Foreign Relations:

Mrs. CLINTON. Mr. President, I rise in support of Senator Thomas’ resolution, which calls for the immediate release of the crew members of the EP-3E that was forced to make an emergency landing at the Lingshui, Hainan air base on April 1st. Securing the safe return of the crew and their aircraft is a top priority for our country and this resolution makes that clear.

And I know that I speak for my constituents when I say that I am deeply concerned about the safety of the twenty-four U.S. crew members who are being held in China. My thoughts and prayers are with all of them and their family members, including the family of Kenneth Richter, a Navy cryptographer and native of Staten Island, New York.

We are fortunate to have brave men and women like Kenneth Richter serve our country. It is a reminder of how the courage and hard work of those in uniform help to keep America free and secure.

All Americans stand as one behind the President as our nation presses for...
the immediate release of our people and our aircraft. There is absolutely no justification for their detention for one minute, let alone so many days.

STATEMENTS ON SUBMITTED RESOLUTIONS—APRIL 6, 2001

SENATE RESOLUTION 68—DESIGNATING SEPTEMBER 6, 2001 AS “NATIONAL CRAZY HORSE DAY”

Mr. JOHNSON submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 68

Whereas Crazy Horse was born on Rapid Creek in 1843;

Whereas during his lifetime, Crazy Horse was a great leader of his people;

Whereas Crazy Horse was a warrior and a military genius and his battle strategies are studied to this day at West Point;

Whereas Crazy Horse was a “Shirt Wearer”, having duties comparable to those of the United States Secretary of State;

Whereas it was only after he saw the treaty of 1868 broken that Crazy Horse defended his people and their way of life in the only manner he knew;

Whereas Crazy Horse took to battle only after he saw his friend, Conquering Bear, killed and only after he saw the failure of the Federal Government agents to bring required treaty guarantees such as food, clothing, shelter, and necessities for existence; and

Whereas Crazy Horse was killed at Fort Robinson, Nebraska, on September 6, 1877, when he was only 34 years of age: Now, therefore, be it

Resolved, That the Senate—
(1) designates September 6, 2001, as “National Crazy Horse Day”; and
(2) requests that the President issue a proclamation calling on the Federal Government and State and local governments, interested groups and organizations, and the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

Mr. JOHNSON. Mr. President, I rise today to introduce a resolution that will commemorate the life of Crazy Horse. Crazy Horse was a great leader of his people, and the designation of September 6 will be the ultimate commemoration for his bravery and contribution to Native Americans.

Crazy Horse was born on Rapid Creek in 1843. He was killed when he was only 34 years of age, September 6, 1877. He was stabbed in the back by a soldier at Fort Robinson, Nebraska, while he was under U.S. Army protection. During his life he was a great leader of his people. Crazy Horse was a warrior and a military genius. His battle strategies are studied to this day at West Point.

Crazy Horse was bestowed with the honor of becoming a Shirt Wearer. This honor is comparable to duties like that of the Secretary of State.

Crazy Horse defended his people and their way of life in the only manner he knew, but only after he saw the treaty of 1868 broken, took to the warpath only after he saw his friend Conquering Bear killed; only after he saw the failure of the government agents to bring required treaty guarantees such as food, clothing, shelter and necessities for existence. In battle the Sioux war leader would rally his warriors with the cry, “It is a good day to fight, it is a good day to die.”

Throughout recent history, a memorial commemorating the life of this great warrior is under construction in my state of South Dakota. I would like to take these efforts one step further and designate September 6, 2001, the 124th anniversary of Crazy Horse’s death, as “National Crazy Horse Day.” I urge my colleagues to join me in the commemoration of this great hero.

SENATE RESOLUTION 69—RESOLUTION CONGRATULATING THE FIGHTING IRISH OF THE UNIVERSITY OF NOTRE DAME FOR WINNING THE 2001 WOMEN’S BASKETBALL CHAMPIONSHIP

Mr. BAYH (for himself and Mr. LUGAR) submitted the following resolution; which was considered and agreed to:

S. RES. 69

Whereas the University of Notre Dame women’s basketball team won its first national championship by defeating the tenacious Purdue University Boilermakers by the score of 68-66; and

Whereas for the first time in NCAA women’s basketball history, two teams from the same State appeared in the championship game; and

Whereas Ruth Riley, named the Final Four’s outstanding player and a native of Macy, Indiana, led the University of Notre Dame with 28 points and made 2 free throws with 5.8 seconds left in the game to secure a victory; and

Whereas Niele Ivey battled back from a sprained left ankle and scored 12 points for the Irish; and

Whereas the Fighting Irish, coached by Muffet McGraw, finished their season with a 34-2 record; and

Whereas the high caliber of the University of Notre Dame Women Fighting Irish in both athletics and academics has advanced the sport of women’s basketball and provided inspiration for future generations of young female athletes; and

Whereas the Fighting Irish season of accomplishment inspired euphoria across the basketball-loving State of Indiana. Now, therefore, be it

Resolved, SECTION 1. CONGRATULATING THE UNIVERSITY OF NOTRE DAME WOMEN’S BASKETBALL TEAM.

(a) IN GENERAL.—The Senate congratulates the Fighting Irish of the University of Notre Dame for winning the 2001 NCAA Women’s Basketball Championship.

(b) TRANSMITTAL.—The Secretary of the Senate shall transmit a copy of this resolution to the president of the University of Notre Dame.

SENATE RESOLUTION 70—RESOLUTION HONORING THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS (ASPCA) FOR ITS 135 YEARS OF SERVICE TO THE PEOPLE OF THE UNITED STATES AND THEIR ANIMALS

Mr. DURBIN (for himself and Mr. SMITH of New Hampshire) submitted the following resolution; which was considered and agreed to:

S. RES. 70

Whereas April 10, 2001, is the 135th anniversary of the founding of The American Society for the Prevention of Cruelty to Animals (“ASPCA”);

Whereas ASPCA has provided services to millions of people and their animals since its establishment in 1866 in New York City by Henry Bergh;

Whereas ASPCA was the first humane society established in the western hemisphere;

Whereas ASPCA teaches children the character-building virtues of kindness, and respect for all God’s creatures;

Whereas the dedicated directors, staff, and volunteers of ASPCA have provided shelter, medical care, behavioral counseling, and placement for abandoned, abused, or homeless animals in the United States for more than a century; and

Whereas ASPCA, through its observance of April as Prevention of Cruelty to Animals Month and its promotion of humane animal treatment through programs on law enforcement, education, shelter outreach, poison control, legislative affairs, counseling, veterinary services, and behavioral training, has provided invaluable services to the people of the United States and their animals: Now, therefore, be it

Resolved, SECTION 1. HONORING THE AMERICAN SOCIETY FOR THE PREVENTION OF CRUELTY TO ANIMALS.

(a) IN GENERAL.—The Senate honors The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals.

(b) TRANSMITTAL.—The Secretary of the Senate shall transmit a copy of this concurrent resolution to the president of The American Society for the Prevention of Cruelty to Animals.

SENATE RESOLUTION 71—EXPRESSING THE SENSE OF THE SENATE REGARDING THE NEED TO PRESERVE SIX DAY MAIL DELIVERY

Mr. HARKIN submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 71

Whereas the Postal Service has announced it may consider reducing its six-day mail delivery service to five days, ending Saturday home delivery to offset a projected budget shortfall;

Whereas the six-day mail delivery is an essential service that U.S. citizens have relied on since 1912, particularly those working families who depend on their paychecks to arrive in the mail on time; and

Whereas many senior citizens only have one source of income through their Social Security checks, which arrive in the mail and any delays would make it difficult for them to purchase items such as food and medicine; and

Whereas ending Saturday home mail delivery will result in inevitable delays in mail delivery and an increase in costs for employee overtime to control the back-up of mail: Now, therefore, be it

Resolved, That it is the Sense of the Senate that it is strongly opposed to the elimination of Saturday home and business mail delivery and calls on the United States Postal Service to take all of the necessary steps to assure that six-day home and business mail delivery not be reduced.
Mr. HARKIN. Mr. President, today I am introducing a resolution regarding recent reports coming out of the U.S. Postal Service.

On Tuesday, the United States Postal Service in an effort to cut costs announced that it may eliminate Saturday mail delivery, thus reducing home delivery to five days a week. I believe this would be a terrible mistake. Saturday delivery is an essential service, and we should make sure it continues. Eliminating the sixth day will lead to inevitable delays for mail delivery as well as higher costs to pay overtime to our postal workers.

So my resolution would put the Senate on record as strongly opposed to a cut in service. The amendment will also call on the governing body of the Postal Service to take the necessary steps to ensure the essential service goes uninterrupted.

Cutting out the Saturday delivery would represent a major change for the service—a service that many Americans, especially our seniors who don’t use e-mail, have depended on for decades.

People across America depend on the services of the Postal system. Millions of working families depend on the mail for their Social Security checks, and millions of poor Americans can’t afford computers and don’t have access to things like e-mail. Millions of senior citizens depend on the mail for their Social Security checks, and millions of poor Americans can’t afford computers and don’t have access to things like e-mail which many of us take for granted. We should not let them down.

Mr. DASCHLE. If the majority leader will yield, I only add my voice to the majority leader’s. He has spoken for both of us again in complimenting our chair as well as our ranking member.

This is the first managerial responsibility under our committee, that our ranking member has had. I must say, he has made us all proud and very grateful. He has done an extraordinary job. And his staff has been very helpful, as we worked through many of the legislative landmines we faced over the course of the last several days.

I would also like to thank our Democratic whip, Senator REID of Nevada, for the outstanding job he did in helping our ranking member and working through the many challenges we faced. He, as he always does, has been just a tremendous workhorse. Senator REID deserves our thanks and our debt of gratitude as well.

I thank the majority leader for yielding.

Mr. LOTT. In conclusion, Mr. President, I would like to join in expressing appreciation for Senator REID. We consider him the utility player for both sides. He does wonderful work. We do appreciate it.

Also, I want to take note that Senator DOMENICI, as chairman of the committee or ranking member, has been involved in every budget resolution we have worked on since the law went into effect back in the 1970s; and he has been the manager on our side 14 times. So we have the old pro here, and we have the new ranking member, and they both did a great job and worked together quite well. We do appreciate it.

With that, I yield the floor.

Mr. DOMENICI. Mr. President, I say to my good friend, Senator KENT CONRAD, it is a pleasure working with you. I extend my congratulations for a superb job. It was a very difficult budget from the standpoint of both of us. In the last 36 hours, you and HARRY REID have been miracle workers. I am very much appreciate your willingness to help us get through this, and get through quickly, so that our Senators can get on with their Easter recess and so that we could do something significant before we leave.

Mr. CONRAD addressed the Chair. The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, first of all, I thank the majority leader and the Democratic leader for their kind comments. It has been terrific working with them. I also want to highlight the work of the chairman of the committee who has done a very fair-handed job of managing the Budget Committee. We think him for his fairness, and we appreciate very much the working relationship that we have established throughout the year.

I think our committee was one of the first to reach agreement in this particular agreement certainly here on the floor, Senator DOMENICI worked in such a constructive and gracious way. We appreciate it very much.
If I might talk, for just a moment, on the reasons I voted in opposition to this budget resolution after these long hours of work. I would sum it up in the following ways.

No. 1, I wanted to do more debt reduction than we ultimately did here. I wanted to see over 70 percent of the forecasted surpluses for debt reduction. Unfortunately, we fell well short of that. So my first concern with what we passed is there is not sufficient debt reduction.

My second concern is that after a detailed analysis of all the amendments that have passed, we are into the Medicare trust funds in the years 2002, 2005, 2006, and 2007, to the tune of $54 billion. As I enunciated when I laid down a budget alternative, I do not think we should use any of the trust funds of Social Security or Medicare for any year. So that would be the second reason I voted in opposition.

The third reason was that the tax cut we left was not over $1.2 trillion over the 10 years is simply too large to accommodate the kind of additional debt paydown that I believe is in the best interest of the country. Instead of paying down the publicly held debt to about $500 billion, this budget resolution pays down the publicly held debt to about $1.1 trillion. So I would have liked to have seen us pay down the publicly held debt by another $600 billion.

Finally, Mr. President, in the option that I offered our colleagues, we reserved $800 billion to strengthen Social Security for the long term. This budget will fall far short of that at about $160 billion that is available to strengthen Social Security for the long term.

So for those reasons, I voted in opposition.

In saying that, I do want to indicate that we improved this budget substantially. From what we started with—from what we started with—not from my plan, but from what we started with—we reduced the tax cut, we increased the amount of publicly held debt paydown, and we reserved additional resources for improving education, for a prescription drug benefit, for our national defense, and for agriculture.

So those were important improvements. I just would like to have seen us do somewhat better. I would have liked to have seen us put more of an emphasis on debt reduction. But we will have other opportunities to make those points and other opportunities to vote on those priorities.

I conclude by thanking all of our colleagues for their patience and their graciousness during this period. I also want to take this moment to thank the staffs who worked so hard during this period because these have been long nights and difficult days.

I want to start with Mary Naylor, my staff director on the Senate Budget Committee, who did a superb job under difficult circumstances; and Jim Horney, who is also a top staffer, the deputy staff director for the Senate Budget Committee; Sue Nelson, who produced chart after chart that showed us where we stood at every juncture so we knew precisely where we were, which I think helped us make wise decisions; Lisa Konwinski, our counsel, who went after an amendment, not only for me but for our colleagues, and did a superb job; Sarah Kuehl, who has primary responsibility in the Social Security area; Steve Bailey, our tax counsel; Dakota Rude with national security issues and national defense; Scott Carlson and Tim Galvin, who handle agriculture for the committee; Shelley Amdur, who is our education specialist; Jim Esquea and Bonnie Galvin; Chad Stone, our economist; Rock Cheung, who helped produce those charts, and I think helped us be more successful than we would have otherwise been; and certainly Karin Kulman, who joined the staff to help us do outreach to groups who were interested in the budget, and finally, my terrific press team, Stu Nagurka and Steve Posner, who had their hands full.

Goodness knows, I appreciate the work all of you have done. I appreciate very much the long hours you have put in and your real dedication. You have made me proud. I think you have helped us improve the budget for our country.

I thank the staff on the other side, especially the staff director for Senator Domenici, Bill Hoagland, who is a class act. He deserves all of our thanks for the professionalism with which he conducts himself.

Mr. President, again, I thank everyone who has made this an interesting first experience for me in my position on the Budget Committee.

I thank the Chair and yield the floor.

TRIBUTE TO ROBERT HOFFMAN

Mr. DEWINE. Mr. President, I rise today to say thank you—thank you to my legislative director for the past four years, Mr. Robert Hoffman. Robert—my right-hand man—will be leaving Capitol Hill shortly for a promising career in the private sector.

But I speak for a lot of people on the Hill—Members and staff, alike—when I say that although we are very happy for Robert and we wish him well, we are saddened by his upcoming departure and will miss him dearly.

We will miss Robert's dedication to this institution.

We will miss his optimism and his sense of humor.

We will miss his unstoppable work ethic.

But most of all, we will just miss him.

Robert Hoffman has, himself, become somewhat of an institution here on Capitol Hill. Almost exactly twelve years ago—September 1989—Robert started working in Washington for former California Senator, Pete Wilson. Robert, a California native, didn't start off as Senator Wilson's legislative director. Oh no. He started in the mail room. His dogged determination and his amazing ability to absorb issues quickly propelled him upward within the operation. And within a year, Robert had become a legislative correspondent and within another year, he was working in Sacramento as deputy speech writer after Senator Wilson became Governor of California.

Robert, though, missed Capitol Hill—Capitol Hill missed him. By May 1991, he was back in Washington, this time working as a legislative assistant for another former California Senator, John Seymour. Robert thrived as a legislative strategist, manager, teacher, thinker, leader, and friend.

Robert came to my office in February 1997. He's been my legislative director for over four years now. And, during that time, I have learned a great deal about this fine man. I have learned that he is loyal to a fault.

I have learned that he is a workhorse.

I have learned that he is an incredible strategist, manager, teacher, thinker, leader, and friend.

I have also learned that there is nothing Robert Hoffman can't do. To use one of Robert's favorite phrases: "He just gets it. He just gets the joke." Robert is one of the best "big picture" thinkers I have ever encountered. He gets the whole scene; he understands it. He can put things in their
proper perspective. No one does a better job in taking complex issues, simplifying them and explaining them. He understands how all the pieces in a legislative operation fit together.

He understands politics.

He understands the policy.

He understands people.

That combination of skills—that kind of raw talent and intuitive intelligence—is a true rarity here in Washington or anywhere, for that matter. As anyone who has worked with Robert knows, he always gets the job done. No ifs. No buts. No excuses. He just gets the job done. He is a fair and tempered negotiator. Certainly, I have seen that. I have seen him in situations where I didn’t think we would be successful, and he went into negotiation and came out with a lot better deal than I imagined we could achieve. He gets it done in a quiet, thoughtful, professional way. Robert Hoffman knows how to get bills passed into law. He knows the ins and outs of the legislative process. And, he has the ability to bring sides together to reach consensus and build bipartisan relationships.

While Robert’s professionalism and work ethic are second to none, I would be remiss to not mention Robert’s strength of character and personal integrity.

He is a gentleman—a kind man, a sincere man, and a man who cares about people. He cares about every single person in his office.

He cares about them on a professional level, and he cares about them on a personal level. He cares about them as people.

Robert Hoffman is a good man, and I am privileged to have had the extraordinary opportunity to work with him and call him my friend.

As he departs Capitol Hill after twelve fruitful, fearless, and fun years, I wish him and his lovely new wife, Andrea, all the best in the world. Thank you, Robert.

Mr. President, those in the Chamber and on Capitol Hill who will miss Robert Hoffman will still be able to see him. One of the easiest ways to do that is to watch the reruns of “Little House on the Prairie.” Robert started his professional career actually before he came to Capitol Hill. He started as one of the stars on the original version of “Little House on the Prairie.” Those of you who are up late at night and who have the opportunity to see a rerun, if you see someone who looks like Robert Hoffman, it is you. You will have the opportunity to see a much younger version of Robert on that show.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

MODIFICATION OF UNANIMOUS CONSENT AGREEMENT WITH RESPECT TO CONFEREES TO THE BUDGET RESOLUTION

Mr. DeWINE. Mr. President, on behalf of Leader LOTT, I ask unanimous consent that the previous consent agreement with respect to conferees to the budget resolution be modified to allow for one additional conferee per side, and further, the Republican conferee be Senator Nickles and the Democrat nominee be named on April 23.

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

MEASURE PLACED ON THE CALENDAR—H.R. 8

Mr. DeWINE. Mr. President, also, on behalf of the leader, I understand there is a bill at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will read the bill for the second time.

The legislative clerk read as follows:

A bill (H.R. 8) to amend the Internal Revenue Code of 1986 to phase out the estate and gift taxes over a 10-year period, and for other purposes.

Mr. DeWINE. Mr. President, I object to further proceedings on this bill at this time.

The PRESIDING OFFICER. This bill will be placed on the calendar.

CONGRATULATING THE UNIVERSITY OF NOTRE DAME WOMEN'S BASKETBALL TEAM FOR THEIR CHAMPIONSHIP

Mr. DeWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Res. 69, submitted earlier today by Senators Bayh and Lugar.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 69) congratulating the Fighting Irish of the University of Notre Dame for winning the 2001 women's basketball championship.

There being no objection, the Senate proceeded to consider the resolution.

Mr. LUGAR. Mr. President, I rise today to join my colleague from Indiana as a cosponsor of this resolution congratulating the women's basketball team of the University of Notre Dame for winning the 2001 women's basketball championship.

This remarkable achievement by the Fighting Irish women's basketball team culminates a season in which Coach Muffet McGraw and her team achieved an outstanding 34–2 record. Player Ruth Riley, an Indiana native, earned the titles Big East Player of the Year and Outstanding Player of the Final Four. Her teammate, Niele Ivey, suffered a sprained ankle during the semifinals of 1996 to phase out the opportunity to help the Fighting Irish win their 68–66 final game victory over the determined Purdue University Lady Boilermakers.

The women basketball players of Notre Dame offer an example of dedication, skill, and sportsmanship as they bring Notre Dame its first national basketball title.

Mr. BAYH. Mr. President, it is with great pride that I come to the microphone to introduce my colleague Senator Richard Lugar to introduce a bipartisan resolution honoring the University of Notre Dame women's basketball team for winning the school's first ever National Colleague Athletic Association, NCAA, Division I basketball championship.

On April 1, 2001, this remarkable group of young women—led by senior All-American and native Hoosier Ruth Riley, have taken their place in Notre Dame's long and storied tradition of academic and athletic excellence with a victory over the Purdue University Boilermakers.

This match-up made NCAA history, as it was the first time two teams from the same state appeared in the NCAA women's basketball championship game. I cannot think of a more fitting place from which these two special teams could hail than from Indiana, basketball's heartland. It is a wonderful tribute to these two teams and those who have won the honor for the state of Indiana to gain that distinction.

As Hoosiers across our state and basketball fans around the nation watched with excitement and anticipation, both teams put forth a tremendous effort that made for a spectacular game. These true competitors displayed immense talent and ability as they engaged each other relentlessly throughout the forty minute championship game. The determination and commitment of both the Fighting Irish and the Boilermakers exemplifies our Hoosier values and serves as a tremendous source of pride for the state of Indiana.

Behind every great team is a great coach. Coach Muffet McGraw is no exception. Coach McGraw provided the Fighting Irish with the stewardship needed for an outstanding record of thirty-four wins and only two losses during the 2000–2001 season, en route to the national championship. The Notre Dame community should be very proud of both Coach McGraw's leadership and her team's outstanding accomplishments as student athletes.

In dramatic fashion, the Fighting Irish turned around a twelve point deficit and tied the game with one minute remaining. With 5.8 seconds remaining, Ms. Riley made two free throws to complete the comeback and secure a 68–66 victory for the Fighting Irish. Ms. Riley, who earned the tournament's Most Outstanding Player honors, was also named national Player of the Year and was a unanimous selection as first team All-American. Through hard work and determination, Ruth Riley and her teammates advanced the sport of women's basketball and provided inspiration for future generations of young female athletes.
Mr. DEWINE. Mr. President, I ask unanimous consent that the resolution be agreed to, the motion to reconsider be laid upon the table, all with no intervening action. The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 43) was agreed to.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–91, appoints the Senator from Ohio (Mr. DEWINE) as a member of the United States Capitol Preservation Commission.

The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–118, reappoints the Senator from Alaska (Mr. MURKOWSKI) to the Japan–United States Friendship Commission.

AUTHORITY TO MAKE APPOINTMENTS

Mr. DEWINE. Mr. President, I ask unanimous consent that the resolution be agreed to, and the motion to reconsider be laid upon the table, all with no intervening action or debate.

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

The resolution (S. Res. 70) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 69) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 60) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 27) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows: S. Res. 27

Whereas for more than 200 years, the Chechen people have resisted the efforts of the Russian government to drive them from their land and to deny them their own culture;

Whereas beginning on February 23, 1944, nearly 500,000 Chechen civilians from the northern Caucasus were arrested en masse and forced onto trains for deportation to central Asia;

Whereas tens of thousands of Chechens, mainly women, children, and the elderly, died en route to central Asia;

Whereas mass killings and the use of poisons against the Chechen people accompanied the deportation;

Whereas the Chechen deportees were not given food, housing, or medical attention upon their arrival in central Asia;

Whereas the Soviet Union actively attempted to suppress expressions of Chechen culture, including language, architecture, literature, music, and familial relations during the exile of the Chechen people;

Whereas it is generally accepted that more than one-third of the Chechen population died during the deportation or while living in exile in central Asia;

Whereas the deportation order was not repealed until 1997;

Whereas neither the Soviet Union, nor its successor, the Russian Federation, has ever accepted full responsibility for the brutalities inflicted upon the Chechen people; Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the United States should commemo-
rate the 57th anniversary of the brutal de-
portation of the Chechen people from their
native land;

(2) the current war in Chechnya should be viewed within the historical context of re-
peated abuses suffered by the Chechen people
at the hands of the Russian state;

(3) the United States Government should
make every effort to alleviate the suffering of
the Chechen people; and

(4) it is in the interests of the United
States, the Russian Federation, Chechnya,
and the international community to find an
immediate, peaceful, and political solution
to the war in Chechnya.

URGING THE IMMEDIATE RELEASE OF
KOSOVAR ALBANIANS WRONGFULLY IMPRISONED

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 28, S. Res. 60.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:A resolution (S. Res. 60) urging the imme-
diate release of Kosovar Albanians wrong-
fully imprisoned in Serbia, and for other
purposes.

The preamble was agreed to.

The resolution (S. Res. 27) was agreed to.

The resolution (S. Res. 60) was agreed to.
upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 60) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 60

Whereas the Military-Technical Agreement Between the International Security Force ("KFOR") and the Governments of the Federal Republic of Yugoslavia and the Republic of Serbia (as concluded June 9, 1999) ended the war in Kosovo;

Whereas in June 1999, the armed forces of the Federal Republic of Yugoslavia (Serbia and Montenegro), is responsible for the unlawful arrest, detention and imprisonment of Kosovar Albanians, is responsible for amnesty; and

Whereas the Interim Administrative Council in Kosovo and the police units of Serbia, as they withdrew from Kosovo, transferred approximately 1,900 ethnic Albanians between the ages of 15 and 73 from prisons in Kosovo to Serbian prisons;

Whereas some ethnic Albanian prisoners who were tried in Serbia were convicted on false charges of terrorism, as in the case of Flora Brovina;

Whereas the Serbian prison directors at Pancevo prison stated that of 600 ethnic Albanian prisoners that arrived in June 1999, 530 had no court documentation of any kind;

Whereas 640 of the imprisoned Kosovar Albanians are in Serbia having been formally indicted and sentenced to terms that matched the time already spent in prison;

Whereas representatives of the FRY government received thousands of dollars in ransom payments from Albanian families for the release of prisoners;

Whereas the payment for the release of a Kosovar Albanian, Deradin from a Serbian prison varied from $4,300 to $24,000, depending on their social prestige;

Whereas Kosovar Albanian lawyers, including Husnija Bitice and Teki Bokshi, who are fighting for fair trials of the imprisoned have been severely beaten;

Whereas approximately 600 Kosovar Albanians remain imprisoned by government authorities in Serbia;

Whereas the Geneva Conventions of August 12, 1949, and their protocols give the international community legal authority to press the FRY to release all imprisoned Kosovar Albanians wrongfully held in Serbia and Montenegro, is responsible for the unlawful arrest, detention and imprisonment of Kosovar Albanians, is responsible for amnesty; and

Whereas Kosovar Albanians, were killed in the terrorist bombing of Pan Am 103 Lockerbie bombing and reiterating conditions under which sanctions will be lifted.

(1) calls on FRY and Serbian authorities to provide a complete and precise accounting of all Kosovar Albanians held in any Serbian prison or other detention facility;

(2) urges the immediate release of all Kosovar Albanian prisoners wrongfully held in Serbia, including the immediate release of all Kosovar Albanian prisoners in Serbian custody arrested in the context of the Kosovo conflict for their resistance to the repression of the Milosevic regime; and

(3) urges the European Union (EU) and all European countries that are not members of the EU, to act collectively with the United States in exerting pressure on the government of the FRY and of Serbia to release all prisoners described in paragraph (2).

EXPRESSING SENSE OF CONGRESS WITH RESPECT TO INVOLVEMENT OF THE GOVERNMENT OF LIBYA IN TERRORIST BOMBING

Mr. DEWINE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 23.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 23) expressing the sense of Congress with respect to involvement of Libya in terrorist bombing.

The concurrent resolution (S. Con. Res. 23) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. Con. Res. 23

Whereas 270 people, including 189 Americans, were killed in the terrorist bombing of Pan Am Flight 103 over Lockerbie, Scotland, on December 21, 1988;

Whereas, on January 31, 2001, the 3 judges of the Scottish court meeting in the Netherlands to try the 2 Libyan suspects in the bombing of Pan Am 103 found that "the conception, planning, and execution of the plot to put the explosive device was of Libyan origin";

Whereas the Court found conclusively that Abdel Basset al-Megrahi "caused an explosive device to detonate on board Pan Am 103" and sentenced him to a life term in prison;

Whereas the Senate adopted a resolution on December 21, 1988, condemning Libya; and

Whereas, contrary to previous declarations by the Government of Libya and its representatives, in the wake of the conviction of Abdel Basset al-Megrahi, Colonel Muammar Qaddafi refuses to accept the judgment of the Scottish court or to comply with the requirement of the United Nations Security Council Resolution 1192 demanding that Libya accept responsibility for the actions of its intelligence officer, provides appropriate compensation to the families, accounts for its involvement in the bombing, and fully renounces terrorism. These are the conditions demanded by the international community—not just the United States—and they must be enforced before the sanctions are lifted. We must also be prepared to impose stronger sanctions if Qaddafi refuses to cooperate. This resolution makes clear that this should be American policy.

U.S. sanctions against Libya, which prevent trade and investment and bar the import of Libyan oil must also remain in place. Although there is strong interest by the U.S. oil industry in investing in Libya, the Administration must make clear that profits cannot take priority over justice.

It is vital to the ongoing battle against international terrorism that all those responsible for this horrible act are brought to justice.

I am pleased to work with Senator FEINSTEIN on this resolution, and I urge my colleagues to support it.

Mr. DEWINE. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements relating to the resolution be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 23) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. Con. Res. 23

Resolved by the Senate (the House of Representatives concurring),
SEC. 1. SHORT TITLE.

This concurrent resolution may be cited as the “Justice for the Victims of Pan Am 103 Resolution of 2001”.

SEC. 2. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) the entire international community should condemn, in the strongest possible terms, the Government of Libya and its leader, Colonel Muammar Qadhafi, for support of international terrorism, including the bombing of Pan Am 103;

(2) the Government of Libya should immediately—

(A) make a full and complete accounting of its involvement in the bombing of Pan Am 103;

(B) accept responsibility for the actions of Libyan officials;

(C) provide appropriate compensation to the families of the victims of Pan Am 103 and any other affected individuals;

(D) demonstrate in word and deed a full renunciation of support for international terrorism;

(3) the President should instruct the United States Permanent Representative to the United Nations to use the voice, and, if necessary, the vote of the United States, to maintain all United Nations sanctions against Libya until all conditions laid out or referred to in the applicable Security Council resolutions are met and—

(A) make a full and complete accounting of its involvement in the bombing of Pan Am 103;

(B) accept responsibility for the actions of Libyan officials;

(C) provide appropriate compensation to the families of the victims of Pan Am 103 and any other affected individuals;

(D) demonstrate in word and deed a full renunciation of support for international terrorism;

(4) the President should instruct the United States Permanent Representative to the United Nations to seek the reimposition of sanctions against Libya currently suspended in the event that Libya fails to comply with those United Nations Security Council resolutions.

SEC. 3. POLICY OF THE UNITED STATES TOWARD LIBYA.

It should be the policy of the United States to—

(1) oppose the removal of United Nations sanctions until the Government of Libya has—

(A) made a full and complete accounting of its involvement in the bombing of Pan Am 103;

(B) accepted responsibility for the actions of Libyan officials;

(C) provided appropriate compensation to the actions of Libyan officials;

(D) demonstrated in word and deed a full renunciation of support for international terrorism; and

(2) maintain United States sanctions on Libya, including those sanctions on all forms of assistance and all other United States restrictions on trade and travel to Libya, until—

(A) the Government of Libya has fulfilled the requirements of United Nations Security Council Resolutions 731, 748, 883, and 1192;

(B) the President—

(i) certifies under section 620A(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2371(c)) that Libya no longer provides support for international terrorism; and

(ii) has provided to Congress an explanation of the steps taken by the Government of Libya to resolve any outstanding claims against that government by United States persons relating to international terrorism; and

(C) the Government of Libya is not pursuing policies that in the view of the President are contrary to the national security interests of the United States.

SEC. 4. TRANSMITTAL OF CONCURRENT RESOLUTION.

The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.
The preamble, as amended, was agreed to.
The title amendment was agreed to.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DeWINE. In executive session, I ask unanimous consent the Senate proceed to consideration of Calendar No. 31: Maj. Gen. Joseph M. Cosumano, Jr., to be Lieutenant General, and Tim McClain to be general counsel for the Department of Veterans’ Affairs.

I further ask unanimous consent the nominations be confirmed en bloc, the motion to reconsider be laid upon the table en bloc, that any statements relating to the nominations be printed in the RECORD, that the President be immediately notified, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.
The nominations considered and confirmed en bloc are as follows:

IN THE ARMY
The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:
To be lieutenant general
Maj. Gen. Joseph M. Cosumano, Jr., 0000

DEPARTMENT OF VETERANS AFFAIRS
Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

ORDERS FOR MONDAY, APRIL 23, 2001

Mr. DeWINE. On behalf of Majority Leader Lott, I ask unanimous consent that when the Senate completes its business today, it adjourn under the provisions of the adjournment resolution H. Con. Res. 93 until 12 noon on Monday, April 23, 2001. I further ask consent that on Monday, immediately following the prayer, the Journal or proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and the Senate then begin a period of morning business until 2 p.m. with Senators speaking for up to 5 minutes each, with the following exceptions: Senator Duren or his designee, 12 noon until 1 p.m.; Senator Thomas or his designee, 1 p.m. to 2 p.m.

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

PROGRAM

Mr. DeWINE. Mr. President, again, on behalf of Majority Leader Lott, I announce on Monday at 2 p.m. the Senate will begin the appointment of conferees process with respect to the budget resolution. A vote is not necessary with respect to those motions, and therefore no votes will occur during Monday’s session.

Also, during that week, the Senate may be expected to consider S. 350, the brownfields bill, as well as other authorization bills that may be cleared.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. DeWINE. I ask unanimous consent that committees have between the hours of 12 noon and 2 p.m. on Tuesday, April 17, to file committee-reported legislative and executive items.

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

ORDER FOR ADJOURNMENT

Mr. DeWINE. If there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the provisions of H. Con. Res. 93 following the remarks of Senator Byrd.

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

Mr. BYRD. Mr. President, I thank the Chair and I thank the distinguished Senator from Ohio.

PRAYER

Mr. BYRD. Mr. President, allow me to express my appreciation to Mr. Domenici and Mr. Conrad for the excellent way in which they handled the concurrent resolution on the budget. They were fair, they were considerate, and they were very skillful in their performance. So thank your two leaders, Mr. Lott and Mr. Daschle, for the excellent guidance they gave through their respective caucuses. I also thank my friend, the senior Senator from Alaska, who is presiding over the Senate, for his friendship and for his excellent leadership on the Senate Appropriations Committee. I wish him and his lovely wife and family, especially for Lily, a happy Easter holiday.

EASTER

Mr. BYRD. Mr. President, some years ago I read a story by Tolstoy titled, “How Much Land Does A Man Need?” Inasmuch as a considerable time has gone by since I last read this story, perhaps I shall say at the beginning that I amlargely summarizing the story.

The story told of a man who had land hunger. He had orchards and vast other properties, but he could never get enough land. One day there stood in his presence a stranger who promised him all the land that he could cover in a day for 1,000 rubles. The conditions were that he would have to start at sunrise and that he could travel all day and buy as much land as he could cover in a day for 1,000 rubles. He would be required to return to the starting point by sundown; otherwise he would lose both the land that he had covered and the 1,000 rubles.

So the man started out at last to get enough land. He took off his jacket, and as he surveyed the land before him, he thought that this was certainly the richest soil that he had ever seen and the land was so level that he felt that nothing before had he seen. He tightened his belt, and with the flask of water that his wife had provided to him, he began his journey.

At first he walked fast. His plan was to cover a plot of ground 3 miles square. After he covered the first 3 miles, he decided he would walk 3 more miles, and then he walked 3 more miles until at last he had covered 9 miles before he started upon the second side. As he went along, the land seemed to be ever, ever more level, and the soil ever more rich.

He completed the second side just as the Sun crossed the meridian. He sat down and ate the bread and the cheese that had been prepared by his wife. He drank most of the water from the flask, and then turned upon the third side. He completed the third side when the Sun was fairly high still in the heavens, but he was becoming quite tired. He took off his boots, which were becoming heavy, and he pressed on. He turned upon the fourth side. But strangely enough, the land became less level and more hilly. His arms and legs were scratched by the briars, and his feet had been cut by the stones. The whole landscape had changed to the extent that it was very adverse to his being able to continue at the same pace as in the beginning.

The Sun kept dropping closer and closer to the horizon. He kept his eye on the goal. He could see the stranger, waiting at the starting point. His servant had accompanied him and had placed a stake at each corner as a marker for the ground that had been covered.

As the Sun was sinking low, the man had become very tired and no longer could he walk upright. He had to crawl on his hands and knees. He could see the dim face of the stranger waiting at the starting point, and upon that stranger’s face was a cruel smile. The man reached the starting point just as the Sun went down, but he had overtaxed his strength and he fell dead on the spot.

The stranger, who was called Death, said: “I promised him all the land he could cover. You see how much it is: 6 feet long, 2 feet wide. I have kept my pledge.” The servant dug the grave for him.

The moral of the story is this: that the love of material things and the greed for gain shrivel the soul and leave the life a miserable failure at last.
As we approach the blessed season of Easter, it seems to me to be appropriate to reflect a bit about these things which are pretty mundane when compared with discussions concerning budget resolutions, taxes, projected surpluses and deficits. But once in a while I think it is good to return to the mundane—to the things that perhaps really count most in our lives.

Easter is a promise. Easter reminds each of us of the promise that we can live again, and that we can join our loved ones who have gone on before. To me it is the greatest of all religious days.

I suppose that having attained the age of 83, it becomes even more meaningful. I didn’t used to think about these things quite as much as I do now. But at the age of 83, one doesn’t have much to look forward to in this life. But there is the hope and the promise that I can see my grandson again, whom I lost 19 years ago. My grandson was killed in a truck crash, and he died on the Monday morning after Easter Sunday in 1982. So the day itself has a particular significance to me.

I remembered that Mary and Martha in the Scripture sent to the tomb subsequent to the crucifixion of Our Lord. When the tomb was opened, they saw an angel who said to them: “He is risen.”

So, if we didn’t have that promise to which we can look forward, life would be pretty bleak.

I want to think that there will be another life. I believe it. That is what I was taught. As I say, if I didn’t believe that, certainly at this late period in this earthly life the future would be pretty bleak indeed.

We live now in a very materialistic age. Things are quite different than they were when I was a lad walking in the hills of Mercer County and Raleigh County, WV. Times have changed immensely.

But there are some things that don’t change. And one of the things that hasn’t changed in my life is the belief, as I was taught in the beginning, that there is a Creator, and that there will come a time when each of us will have to meet the eternal judge and give an accounting for our stewardship during this earthly journey.

I believe that.

I find myself quite out of step from time to time in this materialistic age and this increasingly materialistic society, for to express one’s belief in a Supreme Being who created the heavens and the Earth, who made man in his own image, and made provision for a life beyond the grave, is looked upon by some as a lack of cultural sophistication.

One who adheres to traditional religious beliefs these days will quite often find himself the possessor of views that are incompatible with a modern outlook.

Traditional religious beliefs are a thing of the past in some quarters. Our intellectual culture in this country, as we stand at the beginning of a new century, and at the beginning of a new millennium, appears to be dominated by skepticism, cynicism, agnosticism, and, alas, to some degree atheism.

Not too long ago, the majority of the Kansas State Board of Education acted to ban the teachings of Darwin—Charles Robert Darwin, a great British naturalist, concerning evolution in the classroom. There was an aroused interest in the school board of education recently restored evolution to the state science curriculum.

Several years ago, I read Charles Darwin’s “Origin of the Species.” I also read his book “The Descent of Man.” I wanted to know what Darwin was saying. My intellectual curiosities were piqued. I wanted to read firsthand his theory about natural selection.

But reading Darwin did not shake my faith. Rather, Darwin only strengthened my belief in God’s word, and strengthened my belief in the Creator, strengthened my belief in the Bible as a book that was written by man, but written through the inspiration from the Creator. Now, let me say, I do not claim to be good. My Bible says that no man is good. But I do claim to have been reared by two wonderful persons. They were not very well educated. They did not have much by way of this world’s possessions. They could not give me possessions. They could not give me anything. But they gave me their love, and they taught me to believe in the Scriptures.

So the day itself has a particular significance to me. I have read.

I have three wonderful grandsons and two granddaughters remaining after the death of the oldest grandson. Two of those grandsons are physicists. They have their Ph.D.s in physics, not political science, which would be much easier, I suppose.

I have two fine sons-in-law, one of whom came to this country from Iran, the old Biblical country of Persia, and who, by the way, is also a physicist.

So my family is well equipped to help maintain this country’s cutting edge in physics.

I am not a physicist, and I am not a scientist, and I am not a minister. I do not consider myself to be worthy of standing behind any altar in a church. But I do steadfastly believe in the Bible. I believe in its teachings. And I believe in the account of the Creation as presented in Genesis, the book that was written by man, but written through the inspiration from the Creator.

And after all, how God made man is not so important; but what is important is that God, a superior intelligence, did make man. The doubters, the skeptics, the non-believers, all of these go out of their way to dispute the account of the Creation as presented in Genesis, but to the doubters and the skeptics and the cynics, I would refer them to the God of the land of Uz, whose name was Job. And there, we find the question: “Canst thou by searching find out God?” So, let the cynics, the doubters, and the skeptics answer God’s challenge: “Who hast laid the foundations thereof? Or who laid the cornerstone thereof?”

“But the morning stars sang together, and all the sons of God shouted for joy!”

My reading of the theory promulgated by that great English naturalist, Darwin, leads me to the conclusion that there is something to what Darwin is saying, but let us not carry it too far. I have no problem in putting God’s word as revealed in the Holy Bible right up against the teachings of evolution. I have no problem with that. So I have no problem with teaching the theory of natural selection, as suggested by Darwin, Huxley, and others. But I believe that if the Darwinian theory of evolution is to be taught in the classrooms of the Nation, the biblical account of Creation and other teachings of the Bible should likewise be presented so that the inquiring young man or woman may have a better understanding of both. Now, I understand the constitutional problem that might arise from such.

True it is, that “Congress shall make no law respecting an establishment of religion.” but I take this first amendment prohibition also to mean that Congress shall make no law respecting an establishment of “anti-religion.” If high school students are to be taught a theory, such as evolution—I have no problem with that—which may result in non belief concerning God, non belief in religion, it seems to me that if we are really interested in the search for truth, the search for knowledge, the search for wisdom, then the student should have equal access to the account of Creation as set forth in the Book of Genesis.

I believe that, just as children should be taught the difference between right and wrong, they should also be exposed to the teachings of Holy Writ as well as the claims made by proponents of Darwin’s theory of evolution.

Now, I am not here today suggesting that anybody else needs to be a Baptist just because I am a Baptist, or be a Roman Catholic just because I am an Episcopalian or be a Catholic or be of the Jewish religion, or of the religion of Islam. I have already stated...
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that one of my sons-in-law is an Iranian. His father was a devout—a devout—worshiper in the religion of Islam.

I am like Samuel Adams. I am not a bigot. I can listen to anybody’s prayer and anybody’s prayer. But now, back to the subject.

I personally find the theory of evolution as set forth in Darwin’s book “The Origin of Species” to be an enormous piece of work, a marvelous, marvelous display of knowledge on the part of that great naturalist. It reflects great scholarship. It also contains—I am not hesitant about saying it at all—but it also contains a great, a huge number of guesses, hypotheses, conjectures, presumptions, assumptions, mere opinions, and considerable guesswork.

For example, such phrases as the following are sprinkled throughout Darwin’s Origin: “We may infer,” “has probably played a phable important part,” “it is extremely difficult to come to any conclusion,” “seems probable,” “this change may be safely attributed to the domestic duck flying much less and walking more than its wild parent. I am fully convinced that the common opinion of naturalists is correct,” “hence, it must be assumed,” “appears to have played an important part,” “seems to have been the predominant power,” “something, but how it is not known to be attributed to the definite action of the conditions of life.” “Some, perhaps a great, effect may be attributed to the increased use or disuse of parts.”

Additional examples are these: “It is probable that they were once thus connected;” “that certainly at first appears a highly remarkable fact,” “it may be suspected,” “we have good reason to believe,” “it may be believed,” “these facts alone incline me to believe that,” “I am a general law of nature,” “I conclude that,” “we must infer,” “we may suppose,” “I do not suppose that the process ever goes on so regularly,” “it is far more probable,” “nor do I suppose that the most divergent varieties are invariably preserved;” “if we suppose,” “but we have only to suppose the steps in the process,” “thus, as I believe, species are multiplied and genera are formed,” “may be attributed to disuse,” “we must suppose,” “we may conclude that habit, or use and disuse, have played a considerable part in the modification of the Constitution and structure;” “I suspect,” “it seems to be a rule that when any part or organ is repeated many times in the same individual, the number is variable, whereas the same part or organ, when it occurs in lesser numbers, is constant;” “the fair presumption is,” “it must have existed, according to our theory, for an immense period in nearly the same state;” “the most probable hypothesis to account for the existence of very ancient characters, is that there is a tendency in the young of each successive generation to produce the long lost character, and that this tendency, from unknown causes, sometimes prevails;” “by my theory, these allied species are descended from a common time;” “if my theory be true,” “must assuredly have existed;” “may we not believe . . . ?”

I could go on and shall, indeed, go on for a brief moment. How long is a brief moment?

Here are some more: “it is inconceivable,” “it is therefore highly probable,” “it may be inferred,” “nor is it improbable,” “these organs must have been independently developed,” and so on, and so on, and so on and on.

Strange, isn’t it, that, while many of the devotees of Darwinism are agnostics, or even outright atheists, their idol shows no compartments with reference to a supreme being?

Let me quote Darwin. I have been quoting Darwin, but I want to quote Darwin to show that he has no compartment with reference to a supreme being. I say:

May we not believe that a living optical instrument might thus be formed as superior to one of glass as the works of the creator are to those of man?

Darwin himself poses the key question: “The origin of species is the key question, and it is meant for all of us. It will make us stop and think.”

This is what Darwin asked:

Have we any right to assume that the Creator works by intellectual powers like those of man?

That is the question. That is where so many of us in this intellectual age, this cynical age, that is where so many of us trip over ourselves because we attempt to square God’s intelligence with our own. And thus, we become unbelievers or doubters simply because we can’t conceive of all of the marvels of creation and how they came about. Therefore, again, I cite this question by Darwin:

Have we any right to assume that the Creator works by intellectual powers like those of man?

Of course, with man’s finite, limited intellectual powers, man finds it difficult to conceive of that which his own puny mind cannot embrace. Hence, while the skeptics, doubt the Biblical account of creation, they seem to go out of their way to find alternative theories. The problem is that the alternatives they propose border on the absurd.

Beyond all credulity is the credulousness of atheists who believe that chance could make a world, when it cannot build a house.

Some scientists say that life, and man himself, was the outcome of random mechanisms operating over the ages. It is my belief that there is, and always has been, a super intelligence, an intelligence that foresaw the necessity of preplanning human life on earth.

In order that life might be produced, everything had to be just right from the very start—everything from the fundamental forces, such as electromagnetism and gravity, to the relative masses of various subatomic particles. And I have read that the slightest tinkering with a single one of scores of basic relationships in nature would have resulted in a very different universe from that which we know. It could not have been stars like our sun, or even no stars, period. Life was not accidental, but appeared to be a goal toward which the entire universe, from the very beginning nanosecond of its existence, had been ordained and fine-tuned. In other words, there never was a “random universe.” But before its origins in the Big Bang, life was preplanned from the very first nanosecond of the cosmos’ being into being. This is the cosmological anthropic principle, and it marks a turning point, in that it takes us toward, rather than away from, the idea that there is a God.

I believe that the universe is the product of a vastly superior intelligence and that in the absence of such a superintelligence having provided guidance for millions of details, vast and small, this world would not exist, this universe would not exist, nor would we exist.

The materialistic paradigm, which is the fundamental modern concept of the random, mechanical universe, is coming apart at the seams. It is not a universe that is random and mechanical; instead, it is a universe of intricate order that reflects an unimaginably vast and intricate master design. The laws of physics that undergird the universe had to be fine-tuned from the beginning and expressed for the emergence of human beings. Human life did not come about by accident, the byproduct of material forces randomly churning over the ages, the fundamental constants of gravitational force and electromagnetic force and the byproduct of a vastly superior intelligence and that in the absence of such a superintelligence having provided guidance for millions of details, vast and small, this world would not exist, this universe would not exist, nor would we exist.

I have to believe that the evolution of the universe over many billions of years had, from the very beginning, apparently been directed toward the creation of human life. From my very limited reading, I find that even the slightest tinkering with the value of gravity, or the slightest alteration in the strength of the electromagnetic force, would have resulted in the wrong kind of stars, or no stars at all. Any weakening of the nuclear “strong” force would have resulted in a universe consisting of hydrogen and not a single other element that would sustain life and no water—nothing but hydrogen. Even the most minuscule tinkering with the fundamental forces of physics—gravity, electromagnetism, nuclear strong force, or the nuclear weak force—would result in a universe consisting entirely of helium, without protons or atoms, a universe without stars, or a universe that collapsed back in upon itself before the first moments of its existence were up. Even such basics of life as carbon and water depend upon “fine-tuning” at the subatomic level.

Think for a moment about the very nature of water, H2O, which is so vital
to life. Unique among the molecules, water is lighter in its solid form than in its liquid form. Ice floats. Every country boy knows that—a country boy like ROBERT BYRD. I learned a long time ago that ice floats—not just Ivory soap, but ice floats. If it did not float, the oceans would freeze from the bottom up. How delightful that vision of life be- ing frozen in, and the Earth would now be covered with solid ice.

Witness the vast order that pervades the universe! Could random variation have, even in the longest stretch of the imagination, created such magnificent order in the universe? Could chance have worked upon the order that we see all around us? To believe that it could is to believe that a monkey with a type-writer would eventually type the complete works of Shakespeare. But would he? Would he not more likely produce an infinity’s worth of gibberish? Regardless of the number of days or the length of time available, what monkey could ever provide a single day’s worth of typing Shakespeare—by random, by accident, by chance—let alone the complete works? The works of Shake- speare are complex enough, but they are small potatoes compared to the universe.

Random selection is not the magic bullet that some biologists would hope. One cannot explain away the order in nature by reference to a purely random process. To pretend otherwise is the stuff of science fiction.

Mr. President, as we depart this city for the holidays, let us remember the old, old story. Let us pause at Easter time and think on these things. I close with the reading of the 23rd psalm:
The Lord is my shepherd: I shall not want. He maketh me lie down in green pastures: He leadeth me beside the still waters. He restoreth my soul: He leadeth me in the paths of righteousness for his name’s sake. Yea, though I walk through the valley of the shadow of death, I will fear no evil: for thou art with me; thy rod and thy staff they comfort me. Thou preparest a table before me in the presence of mine enemies: thou anointest my head with oil; my cup runneth over. Surely goodness and mercy shall follow me all the days of my life; and I will dwell in the house of the Lord for ever. Happy is the man who loves the Lord, who holds to his word.

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

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. BYRD. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Senate proceed to executive session, and I ask unanimous consent that the HELP Committee be discharged from further consideration of the following nominations, and further that the Senate immediately proceed to their consideration: Chris Spear and Kristine Ann Iverson.

I further ask unanimous consent that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, that the President be immediately notified of the Senate’s action, and the Senate then return to legislative session.

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

The nominations considered and confirmed are as follows:

Chris Spear, of Virginia, to be an Assistant Secretary of Labor for Policy. I truly believe that President Bush could not have selected a more competent person for this crucial position nor could he have picked a person of better character. Chris served as my Legislative Director for over a year before his nomination. In that time, I found his counsel to be invaluable and of great help in providing my legisla- tive priorities, and I am proud to say that he is not only a former employee but a good friend. And, I know that I am not alone in wishing Chris well today, as he has previously served on the staffs of my good friends Senator Enzi and former Senator Alan Simpson. I wish Chris the best of luck in his new position and continued success in his career.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

Mr. BYRD. I thank the Chair and I yield the floor.

ADJOURNMENT UNTIL MONDAY, APRIL 23, 2001

The PRESIDING OFFICER. There being no further business to come before the Senate, the Senate stands adjourned until 12 noon on April 23, under the previous order.

Thereupon, the Senate, at 4:02 p.m., adjourned until Monday, April 23, under the previous order.

NOMINATIONS

Executive nominations received by the Senate April 6, 2001:

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

THELMA J. ASKEY, OF TENNESSEE, TO BE DIRECTOR OF THE TRADE AND DEVELOPMENT AGENCY, VICE J. JOSPH GRANDMAISON.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

PIVUSH JINDEL, OF LOUISIANA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE MARGARET ANN RUMBUSH, RESIGNED.

DEPARTMENT OF JUSTICE

CHARLES A. JAMES, JR., OF VIRGINIA, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE JOEL I. KLEIN, RESIGNED.

DEPARTMENT OF COMMERCE

MARIA C. JORDAN, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE AND DIRECTOR GENERAL OF THE UNITED STATES EXPORT COMMERCE SERVICE, VICE MAJORY E. SHERING.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

MAJ. GEN. TIMOTHY A. KINNAN.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

MAJ. GEN. DONALD A. LAMONTAGNE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

MAJ. GEN. JESSIE L. REXEE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

MAJ. GEN. ROY R. BEAUCHAMP.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

MAJ. GEN. GARY L. PARKS.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

WADE F. HORN, OF MARYLAND, TO BE ASSISTANT SECRETARY FOR FAMILY SUPPORT, DEPARTMENT OF HEALTH AND HUMAN SERVICES, VICE OLIVIA A. GOLDEN, RESIGNED.

DEPARTMENT OF VETERANS AFFAIRS

SCOTT WHITAKER, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE RICHARD J. TARPIN, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 6, 2001:

DEPARTMENT OF VETERANS AFFAIRS

TIM S. MCCLAIN, OF CALIFORNIA, TO BE GENERAL COUNSEL, DEPARTMENT OF VETERANS AFFAIRS.

DEPARTMENT OF LABOR

CHRIS SPEAR, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF LABOR.

KRISTINE ANN IVerson, OF ILLINOIS, TO BE AN ASSISTANT SECRETARY OF LABOR.

THE ABOVE NOMINATIONS WERE CONFIRMED SUBJECT TO THE NOMINEES’ COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE CONSTITUTED COMMITTEES OF THE SENATE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

MAJ. GEN. JOSEPH M. COSMUANO.
HIGHLIGHTS

Senate agreed to the Congressional Budget Resolution.

Senate

Chamber Action

Routine Proceedings, pages S3637–S3772

Measures Introduced: Thirty-two bills and four resolutions were introduced, as follows: S. 724–755, and S. Res. 68–71.

Measures Passed:

Congressional Budget Resolution: By 65 yeas to 35 nays (Vote No. 86), Senate agreed to H. Con. Res. 83, establishing the congressional budget for the United States Government for fiscal year 2002, revising the congressional budget for the United States Government for fiscal year 2001, and setting forth appropriate budgetary levels for each of fiscal years 2003 through 2011, after taking action on the following amendments proposed thereto:

 adopted:

By a unanimous vote of 99 yeas (Vote No. 84), Wellstone Amendment No. 269 (to Amendment No. 170), to increase discretionary funding for veterans medical care by $1.718 billion in 2002 and each year thereafter to ensure that veterans have access to quality medical care.

By a unanimous vote of 99 yeas (Vote No. 85), Bond Amendment No. 351 (to Amendment No. 170), to increase Veterans discretionary spending for fiscal year 2002.

Enzi/Carper Amendment No. 284 (to Amendment No. 170), to modify the resolution to reflect that there should be no new Federal fees on State-chartered banks.

Kerry Modified Amendment No. 249 (to Amendment No. 170), to reduce greenhouse gas emissions, address global climate change concerns, protect global environment, and promote domestic energy security; to provide increased funding for voluntary programs that will reduce greenhouse gas emissions in the near term; to provide increased funding for a range of energy resources and energy efficiency programs; to provide increased funding to ensure adequate U.S. participation in negotiations that are conducted pursuant to the Senate-ratified United Nations Framework Convention on Climate Change; to provide increased funding to encourage developing nations to reduce greenhouse gas emissions; and, to provide increased funding for programs to assist U.S. businesses exporting clean energy technologies to developing nations.

Leahy/Harkin Amendment No. 238 (to Amendment No. 170), to provide an increase of $1,500,000,000 in fiscal year 2002 to Department of Justice programs for State and local law enforcement assistance.

Smith (OR) Amendment No. 217 (to Amendment No. 170), to protect public health, to improve water quality in the nation’s rivers and lakes, at the nation’s beaches, and along the nation’s coasts, to promote endangered species recovery, and to work towards meeting the nation’s extensive wastewater infrastructure needs by increasing funding for wastewater infrastructure in fiscal year 2002 in an amount that will allow funding for the State water pollution control revolving funds at an amount equal to the amount appropriated in fiscal year 2001 and to fully fund grants to address municipal combined sewer and sanitary sewer overflows.

Domenici (for Inhofe) Amendment No. 334 (to Amendment No. 170), to increase Impact Aid funding to $1,293,302,000.

Domenici (for DeWine) Amendment No. 236 (to Amendment No. 170), to provide additional funding for the United States Coast Guard for fiscal year 2002.

Pages S3641–44

Pages S3644–45

Pages S3645–46

Pages S3646–49

Pages S3646–49
Domenici (for Dorgan) Amendment No. 196 (to Amendment No. 170), to increase the amount of funding for the trade enforcement programs of the International Trade Administration. Pages S3646–49

Domenici (for Mikulski) Amendment No. 244 (to Amendment No. 170), to increase education technology funding to $1.5 billion per year. Pages S3646–49

Domenici (for Nelson (FL)) Amendment No. 335 (to Amendment No. 170), to provide public water systems the initial funding needed in Fiscal Year 2002 of $43,855,000 to comply with the 10 parts per billion standard for arsenic in drinking water recommended by the National Academy of Sciences 1999 study and adopted by the World Health Organization and European Union. Pages S3646–49

Domenici (for Grassley) Modified Amendment No. 237 (to Amendment No. 170), to establish a reserve fund for the Family Opportunity Act. Pages S3649–50

Domenici (for Collins) Modified Amendment No. 214 (to Amendment No. 170), to provide for a reserve fund for veterans’ education. Pages S3650–52

Domenici (for Santorum) Modified Amendment No. 182 (to Amendment No. 170), to increase in funding $353,500,000 for fiscal year 2002 for Department of Defense basic research conducted in American universities. Pages S3652–53

Domenici (for Bingaman) Amendment No. 297 (to Amendment No. 170), to provide a reserve fund for refundable tax credits. Pages S3653–54

Domenici (for Clinton) Modified Amendment No. 328 (to Amendment No. 170), to strengthen our national food safety infrastructure by increasing the number of inspectors within the Food and Drug Administration to enable the Food and Drug Administration to inspect high-risk sites at least annually, supporting research that enables us to meet emerging threats, improving surveillance to identify and trace the sources and incidence of food-borne illness, and otherwise maintaining at least current funding levels for food safety initiatives at the Food and Drug Administration and the United States Department of Agriculture. Pages S3654, S3662

Domenici (for Reid) Amendment No. 219 (to Amendment No. 170), to express the sense of the Senate on the substitute amendment to the budget resolution with respect to increasing funds for renewable energy research and development. Page S3654

Domenici (for Daschle) Amendment No. 325 (to Amendment No. 170), to increase discretionary funding for the Indian Health Service by decreasing the size of the tax cut for the wealthiest Americans. Pages S3654–55

Domenici (for Smith (OR)/Johnson) Amendment No. 246 (to Amendment No. 170), to increase the construction funds available to the Bureau of Reclamation for 2002 and 2003. Page S3655

Domenici (for Smith (OR)) Modified Amendment No. 283 (to Amendment No. 170), to provide an increase in funds of $1.3 billion in fiscal year 2002 for the promotion of voluntary agriculture and forestry conservation programs that enhance and protect natural resources on private lands and without taking from the HI Trust Fund. Page S3655

Domenici (for Kerry/Bond) Amendment No. 183 (to Amendment No. 170), to revise the budget for fiscal year 2002 so that the small business programs at the Small Business Administration are adequately funded and can continue to provide loans and business assistance to the country’s 24 million small businesses, and to restore and reasonably increase funding to specific programs at the Small Business Administration because the current budget request reduces funding for the Agency by a minimum of 26 percent at a time when the economy is volatile and the Federal Reserve Board reports that 45 percent of banks have reduced lending to small businesses by making it harder to obtain loans and more expensive to borrow. Pages S3657–59

Domenici (for Murray) Modified Amendment No. 231 (to Amendment No. 170), to increase budget authority and outlays in Function 450 to provide adequate funding for Project Impact and FEMA Hazard Mitigation grants. Pages S3659–61

Domenici (for Lincoln) Modified Amendment No. 253 (to Amendment No. 170), of a perfecting nature. Page S3662

Domenici (for Byrd) Amendment No. 205 (to Amendment No. 170), to increase discretionary education funding by $100,000,000 to improve the teaching of American History in America’s public schools. Pages S3662–65

Domenici (for Byrd) Amendment No. 207 (to Amendment No. 170), to increase investments in Fossil Energy Research and Development for Fiscal Year 2002. Pages S3662–65

Domenici (for Byrd/Dayton) Amendment No. 209 (to Amendment No. 170), to increase resources in Fiscal Year 2002 for building clean and safe drinking water facilities and sanitary wastewater disposal facilities in rural America. Pages S3662–65
Domenici (for Graham/Hutchison) Amendment No. 317 (to Amendment No. 170), to extend the Temporary Assistance for Needy Families (TANF) Supplemental Grants for fiscal year 2002.  Page S3665

Bingaman/Domenici Amendment No. 303 (to Amendment No. 170), to establish a reserve fund for permanent, mandatory funding for Payments In Lieu of Taxes and Refu ge Revenue Sharing.  Page S3667

Domenici (for Bingaman) Modified Amendment No. 302 (to Amendment No. 170), to make certain funding adjustments.  Pages S3668–69

Graham Modified Amendment No. 316 (to Amendment No. 170), to restore the Social Services Block Grant to $2.38 billion in accordance with the statutory agreement made in the Personnel Responsibility and Work Opportunity Reconciliation Act of 1996.  Page S3669

Domenici Amendment No. 170, in the nature of a substitute.  Pages S3638–96

Rejected:

Domenici (for Dorgan) Amendment No. 197 (to Amendment No. 170), to increase budget authority and outlays in Function 450 (Community and Regional Development) by $2,300,000,000 to establish a venture capital fund to make equity investments in businesses with high job-creating potential located or locating in rural counties that have experienced economic hardship caused by net outmigration of 10 percent or more between 1980 and 1998 and are situated in States in which 25 percent or more of the rural counties have experienced net outmigration of 10 percent or more over the same period, based on Bureau of the Census statistics; to make available $200,000,000 to that fund for each of fiscal years 2002 through 2011; to require a substantial investment from State government and private sources and to guarantee up to 60 percent of each authorized private investment; and to express the sense of the Senate that this funding should be offset by a transfer of $2,300,000,000 from the surplus amounts held by Federal Reserve banks.  Page S3656

Domenici (for Dorgan) Amendment No. 198 (to Amendment No. 170), to eliminate the Bureau of Indian Affairs school construction backlog and to increase funding for Indian health services, by transferring funds from the surplus amounts held by Federal Reserve banks.  Pages S3656–57

Domenici (for Conrad) Amendment No. 261 (to Amendment No. 170), in the nature of a substitute.  Page S3657

Withdrawn:

Allen Amendment No. 285 (to Amendment No. 170), to provide for an Education Opportunity Tax Relief Reserve Fund.  Pages S3661–62

Stabenow (for Graham) Amendment No. 313 (to Amendment No. 170), to provide a budget mechanism for protecting current Medicare Part A services.  Pages S3665–67

Kennedy Modified Amendment No. 218 (to Amendment No. 170), to make certain funding adjustments.

A unanimous-consent agreement was reached providing that at 2 p.m. on Monday, April 23, 2001, the Senate resume H. Con. Res. 83 and the Majority Leader, or designee, be recognized to make a motion for the Senate to insist on its amendment, request a conference with the House on the disagreeing votes thereon, and the Chair be authorized to appoint conference on the part of the Senate.  Page S3769

Congratulating Notre Dame Women's Basketball Team: Senate agreed to S. Res. 69, congratulating the Fighting Irish of the University of Notre Dame for winning the 2001 women's basketball championship.  Pages S3765–66

Honoring American Society for the Prevention of Cruelty to Animals: Senate agreed to S. Res. 70, honoring The American Society for the Prevention of Cruelty to Animals for its 135 years of service to the people of the United States and their animals.  Page S3766

Printing Authority: Committee on Rules and Administration was discharged from further consideration of H. Con. Res. 43, authorizing the printing of a revised and updated version of the House document entitled “Black Americans in Congress, 1870–1989”, and the resolution was then agreed to.  Page S3766

Deportation of Chechen People: Senate agreed to S. Res. 27, to express the sense of the Senate regarding the 1944 deportation of the Chechen people to central Asia.  Page S3766

Wrongful Imprisonment of Kosovar Albanians: Senate agreed to S. Res. 60, urging the immediate release of Kosovar Albanians wrongfully imprisoned in Serbia.  Pages S3766–67

Pan Am Flight 103 Bombing: Senate agreed to S. Con. Res. 23, expressing the sense of Congress with respect to the involvement of the Government of Libya in the terrorist bombing of Pan Am Flight 103.  Pages S3767–68
International Education Policy: Senate agreed to S. Con. Res. 7, expressing the sense of Congress that the United States should establish an international education policy to further national security, foreign policy, and economic competitiveness, promote mutual understanding and cooperation among nations, after agreeing to a committee amendment in the nature of a substitute.

Appointments:

U.S. Capital Preservation Commission: The Chair, on behalf of the President pro tempore, pursuant to Public Law 100–696, appointed Senator DeWine as a member of the United States Capitol Preservation Commission.

Japan-U.S. Friendship Commission: The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–118, reappointed Senator Murkowski to the Japan-United States Friendship Commission.

Authority to Make Appointments: A unanimous-consent agreement was reached providing that notwithstanding the recess or adjournment of the Senate, the President of the Senate, the President of the Senate pro tempore, and the majority and minority leaders be authorized to make appointments to commissions, committees, boards, conferences, or interparliamentary conferences authorized by law, by concurrent action of the two Houses, or by order of the Senate.

Authority for Committees: All committees were authorized to file legislative and executive reports during the adjournment of the Senate on Tuesday, April 17, 2001, from 12 noon to 2 p.m.

Nominations Confirmed: Senate confirmed the following nominations:

Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.

Chris Spear, of Virginia, to be an Assistant Secretary of Labor (Prior to this action, Senate discharged the Committee on Health, Education, Labor and Pensions)

Kristine Ann Iverson, of Illinois, to be an Assistant Secretary of Labor. (Prior to this action, Senate discharged the Committee on Health, Education, Labor and Pensions)

1 Army nomination in the rank of general.

Nominations Received: Senate received the following nominations:

Thelma J. Askey, of Tennessee, to be Director of the Trade and Development Agency.

Piyush Jindal, of Louisiana, to be an Assistant Secretary of Health and Human Services.

Charles A. James, Jr., of Virginia, to be an Assistant Attorney General.

Maria Cino, of Virginia, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service.

Wade F. Horn, of Maryland, to be Assistant Secretary for Family Support, Department of Health and Human Services.

Scott Whitaker, of Virginia, to be an Assistant Secretary of Health and Human Services.

6 Air Force nominations in the rank of general.

1 Army nomination in the rank of general.

1 Marine Corps nomination in the rank of general.

Executive Communications:

Petitions and Memorials:

Executive Reports of Committees:

Measures Placed on Calendar:

Statements on Introduced Bills:

Additional Cosponsors:

Amendments Submitted:

Additional Statements:

Record Votes: Three record votes were taken today. (Total—86)

Adjournment: Senate met at 9:30 a.m., and pursuant to the provisions of H. Con. Res. 93, adjourned at 4:02 p.m., until 12 noon, on Monday, April 23, 2001. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on page S3772.)

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING

Committee on Veterans Affairs: Committee ordered favorably reported the nomination of Tim S. McClain, of California, to be General Counsel, Department of Veterans Affairs.
House of Representatives

Chamber Action

The House was not in session today. Pursuant to the provisions of H. Con. Res. 93, providing for a conditional adjournment of the House of Representatives and a conditional recess or adjournment of the Senate, it stands adjourned until 2 p.m. on Tuesday, April 24, 2001.

Committee Meetings

No Committee meetings were held.
Next Meeting of the SENATE
12 Noon, Monday, April 23

Senate Chamber

Program for Monday: After the recognition of two Senators for speeches and the transaction of any morning business (not to extend beyond 2 p.m.), Senate will begin the appointment of conferees process with respect to H. Con. Res. 83, Congressional Budget Resolution.

Next Meeting of the HOUSE OF REPRESENTATIVES
2 p.m., Tuesday, April 24

House Chamber

Program for Tuesday: to be announced.