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Senate

The Senate met at 1 p.m. and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

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

Almighty God, Sovereign of this Nation, we recognize our acute sense of accountability to You. We claim Solomon's promise, ''In everything you do, put God first, and He will direct you and crown your effort with success.''—Prov. 3:6, Living Bible. In response, we say with the psalmist, ''Let the words of our mouths and the meditation of our hearts be acceptable in Your sight, O Lord.''—Psalm 19:14. We also accept Jesus' admonition to ''seek first the kingdom of God and His righteousness.'' Matt. 6:33.

Help us remember that every thought we think and every word we speak is open to Your scrutiny. We commit this day to love You with our minds and honor You with our words. Guide the crucial decisions of this day. Bless the Senators with Your gifts of wisdom and vision. Grant them the profound inner peace that results from trusting You completely. Draw them together in oneness in diversity, unity in patriotism, and loyalty in a shared commitment to You. In the name of our Lord. Amen.

PLEDGE OF ALLEGIANCE

The Honorable CRAIG THOMAS, a Senator from the State of Wyoming, led the Pledge of Allegiance, as follows:

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

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The assistant clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, May 7, 2001.

To the Senate:

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

STROM THURMOND,
President pro tempore.

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

RECOGNITION OF THE ACTING MAJORITY LEADER

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

Mr. THOMAS. I thank the Chair.

SCHEDULE

Mr. THOMAS. Today the Senate will be in a period of morning business until 2 p.m. Following morning business, there will be 2 hours to resume consideration of the education reform bill. Amendments are expected to be offered during that debate. Any votes ordered will occur in a stacked sequence beginning at 10:15 tomorrow. At 4 o'clock today, the Senate will begin consideration of the Bolton nomination to be Under Secretary of State for Arms Control and International Security. There will be up to 3 hours of debate on this nomination with an additional 45 minutes for debate tomorrow morning prior to the vote on confirmation at 10:15. Senators should expect several stacked votes tomorrow morning beginning at 10:15.

I thank my colleagues for their attention.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Also under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m. with Senators permitted to speak therein for up to 10 minutes. Under the previous order, the time until 1:30 shall be under the control of the Senator from Alaska, Mr. MURKOWSKI.

Mr. MURKOWSKI. Thank you, Mr. President. I wish you a good afternoon.

ENERGY POLICY

Mr. MURKOWSKI. Mr. President, the purpose of my addressing my colleagues today is to question just what kind of energy policy is supportable in this country as a consequence of many of the leading opinion makers and newspapers relative to just how we go about addressing our energy crisis.

It might get the attention of the Chair to recognize that California alone, which has received an awful lot of notoriety, clearly has a crisis. It can probably best be addressed by indicating that in 1998 Californians spent $9 billion for energy—electric energy. In the year 2000, they spent $20 billion. In the year 2001, it is estimated they will have spent somewhere between $65 and $75 billion. It is not really necessary to say much more. If that is not an acknowledgment of that being a crisis, I do not know what is.

What I find frustrating is the inconsistency of just how we are going to get out of this crisis. I refer to an editorial appearing in the Washington Post today. It is entitled ''selling the Energy Plan.'' I ask unanimous consent that the editorial be printed in the RECORD.

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

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

SELLING THE ENERGY PLAN

Soon President Bush will unveil his energy policy, and last week his administration began sounding some of the themes that will be used to sell it. The country faces an energy crisis, officials repeated. ''We're running out of energy in America,'' the president said; both new supplies and conservation are needed because ''we can't conserve our way to energy independence.'' Simple, compelling messages. The only trouble is, they're not exactly right.

The problem isn't ''running out of'' resources, it's getting them to the right places at the right time. While many consumers struggle with high bills, there's not a crisis of supply unless you live in California. And America won't reach true energy independence through any combination of production and conservation, at least as long as transportation runs on oil.

That's not to say there aren't serious challenges. There are, and meeting them will require hard choices. But it's important to be clear about the critical issues. Those include expanding infrastructure—such as pipelines, transmission lines and refineries—so that electricity and fuel can be produced and delivered when needed. They also include a serious look at how to guard against damaging price spikes or supply interruptions in deregulated energy markets. Currently, one effect of deregulation has been the erosion of incentives for maintaining the extra supply or generating capacity that can cushion against sudden jumps in demand.

Along the way, policymakers must be clear-eyed about prices. Protecting against economy-damaging price hikes is one thing; promising an endless supply of cheap energy is another. The energy debate ought to include a hard look at where prices should be to reflect energy's true cost and to encourage responsible use. Any discussion must acknowledge that the world market will continue to set oil prices, no matter what America does to boost domestic supply.

It's also worth noting that the energy market is responding already. Natural gas drilling increased last year. Vice President Cheney noted this past week that growing electricity demand will require the equivalent of 1,300 to 1,900 new power plants during the next two decades; power suppliers already have reported to the Energy Department plans to add more than 40 percent of that capacity between now and 2005. For the short term, as President Bush acknowledged last week in ordering federal energy use cut in California, conservation can ease the pinch between supply and demand.

However, conservation and increased efficiency are also critical components of any long-term policy. They can contribute much more than the administration has so far been inclined to admit. Candor must be part of the discussion. The issues are complex and call for balanced and wide-ranging solutions; one way to get them is to avoid over-simplifying the debate at the start.

Mr. MURKOWSKI. I agree with a good deal of the editorial's comments relative to the fact the energy crisis is upon us. They indicate we cannot conserve our way to energy independence, and I agree with that. But what I find a little bit inconsistent is the reference that somehow we are going to have to interject some kind of Government control on prices. Now, they did not go into a great deal of detail suggesting that we increase supply and that the traditional increase of supply should take care of the price.

Clearly, California is the victim of a situation of supply and demand because for a number of years California simply decided it was easier to buy energy outside the State of California than developing energy from sources within. Clearly, last year, California found itself depending on imported energy from other States. Those States chose to market that energy at the going price—whatever they could get for it. The difficulty, of course, is that now California finds itself in a mess.

The controls on retail pricing which exist in California have resulted in the consumers taking the full brunt of what that energy costs. By having a wholesale cap on California's energy, why, it is acting to inhibit investments coming into California to build more plants.

It should be noted that Vice President CHENEY, in commenting on the growing electricity demand, indicated that the country is going to have to put in about 1,300 to 1,900 new powerplants during the next two decades. The Department of Energy evidently supports that reference because they indicate that is between the plants they anticipate as necessary to pick up the shortage.

What we have is a reference in general terms that we should address this crisis but not specifically how we are going to address it or specifically what means we are going to use. The Washington Post editorial indicates that conservation and increased efficiency are critical components. And they are, Mr. President, but we should recognize one fact. Less than 4 percent of our power generation in this country currently comes from renewables or alternatives. In other words, the renewables would be the wind power, hydropower, and it certainly could be fuel cells or various other components. The point is we have invested about $6 billion in subsidies and grants for renewables. They still only take a very small percentage.

What I find rather ironic is that there is no identification of just how we are going to get out of this energy crisis. We are going to get out of it by going back to our traditional energy sources—coal, nuclear, oil, gas, hydro—and recognizing we can do a better job of conservation and work towards renewables.

What is frustrating is there is no identification of any consistency of what people will support. As a consequence of that, we find ourselves with the recognition that not only do we have an energy crisis but we also have an inadequate distribution system, whether it be our pipelines or whether it be our electric transmission lines. Many of these have not been expanded over the last several years.

We also have a shortage of refinery capacity in this country. We have not built a new refinery in 25 years. It is almost the perfect storm coming together. We don't have the refining capacity. We have not built any coal-fired powerplants since 1995. We have not built a new nuclear powerplant in over 10 years. We have been concentrating on natural gas. We saw the price of natural gas go up to $2.16 per thousand cubic feet 18 months ago. Now it is $4 or $5. It has been as high as $8.

Here we have, if you will, not only an aging infrastructure for delivery but a rather curious inconsistency in our foreign policy. We are currently importing about 700,000 barrels a day from Iraq. Many people forget that in 1991–1992 we fought a war over there. We lost 147 American lives. Yet today we enforce a no-fly zone over Iraq. We have flown over 230,000 individual sorties enforcing that no-fly zone and putting American men and women in danger. Saddam Hussein proceeded valiantly and, fortunately, he has been unsuccessful in his effort to shoot down one of our aircraft. We are putting men and women in harm's way so we can continue to get oil from the Mideast—get it from one person who is an enemy.

I can simplify it. I have used this often. But it seems as if we take his oil and put it in our airplanes and then fly missions over Iraq. He takes the money that he gets from us and develops a missile capability after paying his Republican Guards to keep him alive and aims his missiles at our ally, Israel.

What kind of a foreign policy is that? As a consequence, we see our Nation 56-percent dependent on imported oil.

It is kind of interesting to note what other people are saying. A noted investment banker, Matt Simmons, told the Committee on Energy and Natural Resources, which I chair, that ''we are now in the early stages of the most serious energy crisis this country has ever faced—worse than 1973. As the crisis unfolds, it could become the most critical threat to our economy since World War II.''

I don't know if we are heeding that call, but we certainly try. Several of us—Senator JOHN BREAUX and myself, among others—have introduced comprehensive bipartisan solutions in our energy bill pending before the Energy Committee. The objective is to promote the use of alternative fuels, encourage efficiency, increase domestic supplies of energy, a balanced, comprehensive approach that addresses all of our conventional sources and uses of technology as a consequence of the advancements we have made in the last several years. We have provisions to provide for more efficient appliances in our homes, alternative fuel cars, and to make it easier for communities to make schools more efficient. It encourages the development of clean coal, nuclear, and other domestic energy sources.

One of the problems with this bill is you might not know what is in it because most of the coverage has been around one single issue in my State of

Alaska; that is, whether or not we should include the development of ANWR in the bill.

ANWR is a very small piece of land, but it has turned into the focal point of a very large argument. The reason is the environmentalists need an issue such as ANWR—an issue that is far away, that Americans can't see for themselves. If one looks at the makeup of the huge area that includes ANWR and recognizes how insignificant that very small portion is that we are planning to open, one begins to understand the merits of, indeed, the realization that we can do it safely.

In any event, I think it is important to note the inconsistency relative to several of our major newspapers and their positions on this as evidenced by editorials that have been written over the last several months. I refer first to an article in the New York Times. That was March 5, 2001. It comments on the bill that we have introduced. The highlight of the editorial suggests that this paper last addressed the folly of trespassing on this wonderful wildlife preserve of ANWR for what by officials estimate is likely to be a modest amount of economically recoverable oil. As a consequence of that, they go on in a later article of January 31, 2000, indicating that the country needs a rational energy strategy, but the first step in that strategy should not be punching holes in the Arctic refuge, even with improved drilling techniques. They go on to say Mr. Bush's plan to open the refuge is environmentally unsound and as intellectually shaky as it was when Ronald Reagan suggested it 20 years ago and when Mr. Bush's father suggested it a decade ago.

Isn't that rather curious? I will put the poster up because I think all Members should have an opportunity to reflect on the inconsistency of our national news media on this issue. It did three articles. They did an article on April 23, 1987. It reads:

> Alaska's Arctic National Wildlife Refuge . . . the most promising untapped source of oil in North America.
>
> . . . A decade ago, precautions in the design and construction of the 1,000-mile-long Alaska pipeline saved the land from serious damage. If oil companies, government agencies and environmentalists approach the development of the refuge with comparable care, disaster should be avoidable.

Then they came long on June 2, 1988, and indicated:

> . . . the potential is enormous and the environmental risks are modest . . . the likely value of the oil far exceeds plausible estimates of the environmental cost.
>
> . . . the total acreage affected by development represents only a fraction of 1 percent of the North Slope wilderness.
>
> . . . But it is hard to see why absolutely pristine preservation of this remote wilderness should take precedence of the nation's energy needs.

Isn't that rather ironic? The New York Times has suddenly done a flip-flop when in June of 1988 they supported it, and in March of 1989 they stated:

> . . . Alaskan oil is too valuable to leave in the ground.
>
> . . . the Single most promising source of oil in America lies on the north coast of Alaska, a few hundred miles east of the big fields at Prudhoe Bay.
>
> . . . Washington can't afford . . . to treat the [Exxon Valdez] accident as a reason for fencing off what may be the last great oilfield in the nation.

It is interesting to note that the New York Times has done a flip-flop. It seems to me that it is more dangerous today when we are importing 56 percent of our energy from overseas and worse than it was in the late 1970s when we were importing 37 percent.

In 1973, when we had the Arab oil embargo, there was a reaction in this country. We created the Strategic Petroleum Reserve, and we made a mandate not to be dependent on the Mideast. As a consequence, we had a very accurate effort in legislation, and so forth, to ensure that we would not increase our oil imports. We had a crisis. We recognized it. We wanted development of oil here at home. But now the New York Times has suddenly turned around with very little explanation given.

In fact, I had an opportunity to meet with the editorial board of the New York Times. I asked for an explanation of why they had changed their position when clearly the situation and the crisis as a consequence of increased imported energy and the California crisis had heightened. The response to me was: Well, we had a different editor then, and he is gone. I don't think that is a reasonable explanation.

You might think I am picking on the New York Times. But I had the same situation with the Washington Post. The Washington Post some time ago supported opening up ANWR. But as of December 25, 2000, they indicated:

> Gov. Bush has promised to make energy policy an early priority of his administration. If he wants to push ahead with opening the plain as part of that, he'll have to show that he values conservation as well as finding new sources of supply. He'll also have to make the case that in the long run, the oil to be gained is worth the potential damage to this unique, wild and biologically vital ecosystem. That strikes us as a hard case to make.

Then in another editorial from the Washington Post dated February 25:

> Mr. Bush wants to open the Arctic National Wildlife Refuge to oil exploration. . . .
>
> America cannot drill its way out of ties to the world oil market. . . . But the most generous estimates of potential production from the Alaska refuge amount to only a fraction of current imports. To reduce dependence on foreign oil requires reducing dependence on oil in general, through lowered consumption [and so forth].

They did not say how we are going to move the transportation network of this country: our ships and our planes. We do not fly in and out of Washington, DC, on hot air. We have to have jet fuel from refineries. Somebody has to produce it.

My point is the Washington Post, too, has changed. One wonders why. Because in 1987, on April 23, an editorial in the Washington Post read:

> . . . Preservation of wilderness is important, but much of Alaska is already under the strictest of preservation laws. . . .
>
> . . . But that part of the arctic coast is one of the bleakest, most remote places on this continent, and there is hardly any other place where drilling would have less impact on the surroundings life. . . .
>
> . . . That oil could help ease the country's transition to lower oil supplies and . . . reduce its dependence on uncertain imports. Congress would be right to go ahead and, with all the conditions and environmental precautions that apply to Prudhoe Bay, see what's under the refuge's [of ANWR]. . . .

That sounds pretty good. Then on April 4, 1989, they further say in an editorial:

> . . . But if less is to be produced here in the United States, more will have to come from other countries. The effect will be to move oil spills to other shores. As a policy to protect the global environment, that's not very helpful. . . .
>
> . . . The lesson that conventional wisdom seems to be drawing—that the country should produce less and turn to even greater imports—is exactly wrong.

How ironic can these two national organizations—the New York Times and the Washington Post—be in completely flip-flopping the position they both had in the mid-1980s, to turn around and now be in opposition when we truly have an energy crisis in this country? I encourage my colleagues to inquire of the Washington Post and New York Times why that is so.

The explanation I got, as I indicated, from the New York Times is they changed editorial editors, and that person is gone. I asked the Washington Post for an explanation. The explanation from the Washington Post is rather interesting: Of the group who was there, one person volunteered an explanation. That explanation was that they thought President-elect Bush was a little too forward on the issue in his comments during his campaign. I do not think that is an adequate answer either.

I will tell you what we have. We have general comments about an energy policy and the need for an energy policy but no specific identification of how we are going to achieve, if you will, more production of energy in this country, more transmission lines, and how to use our technology to lessen the footprint.

One of the ways, clearly, is to reduce dependence on foreign imported oil and by opening up the Arctic National Wildlife Preserve. By doing that, we can hasten the day when we can reduce our dependence on imported oil.

Let me conclude with one reference and I do not have the charts in the Chamber to show you, but I think it is important to keep in mind that ANWR is the size of the State of South Carolina. It is 19 million acres. We have taken 8.5 million acres and put them in a wilderness in perpetuity. Nine million acres are in a refuge. Congress has the sole discretion on opening up the 1.5 million acres. It is estimated that if

the oil is in the abundance that it needs to be, it will take a footprint of roughly 1,000 to 2,000 acres. That is about half the size of the Dulles International Airport.

To me, one of the startling things about new technology is a statement an engineer made in my office saying he could drill under the Capitol Building and come out at gate 17 at Reagan Airport. That gives you some idea of the advanced technology for oil and gas drilling.

I know my friend, the chairman of the Committee on Finance, is anxious to be heard and to ask for 5 minutes of my time. I will grant him 5 minutes of my time. One of these days I will expect reciprocity.

I am going to be speaking again on this crisis in energy and the role of the national environmental community in challenging the realistic manner in which we can achieve greater relief from the energy crisis in this country. I will be doing that in the coming days.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, now I know who I have to thank that I can get 5 minutes. So I thank the Senator from Alaska. But in show of my appreciation, I say to him that on the matter he spoke about in relation to our energy needs, I look forward to helping solve a great deal of our energy issues because through our Committee on Finance we will be dealing with a lot of tax issues that deal with the efforts to spur production and alternative energies.

A very big part of your program that you have introduced—and we compliment you for being a leader in trying to solve the energy crisis—will be the work of the committee on which the Senator and I serve. I will be very happy to work on that.

IN RECOGNITION OF JOANN OWENS

Mr. GRASSLEY. Mr. President, the month of May, since 1963, has helped the Nation focus on the contributions and achievements of America's older citizens because the month of May is a month where we recognize these achievements. Congress does this by cooperating with various organizations in bringing senior interns to Washington, DC, for 1 week out of the month of May. There are other things that are done as well.

The image of those over the age of 65 is dramatically different than it was as recently as a generation ago. Older Americans increasingly redefine modern maturity. They reshape cultural boundaries, and they dispel age-old stereotypes associated with getting older. They are leaders in our families, in our workplaces, and in our communities.

Each week this month I am going to recognize a different Iowan and highlight what these older Iowans are doing as a contribution to the workplace and communities. The one I recognize this week is a 68-year-old woman from Sioux City, IA. JoAnn Owens understands the value of family and understands community involvement. Through her initiative, her concern, and her commitment, she has touched the lives of many in her family and in the entire Sioux City community.

Born and raised in Sioux City, Ms. Owens moved to New York in her twenties and spent much of her adult life on the east coast. In 1993, at the age of 60, she moved back to Sioux City to care for her ailing mother. Seeking a way to keep herself active, and at the same time stimulate her mind, Ms. Owens began to volunteer in the community. For the last 7 years, she has served as a senior companion by providing care to people in the community who need extra assistance in order to live independently.

She currently volunteers 4 days a week helping young people suffering from brain injuries to develop their academic skills. Ms. Owens also serves as a volunteer judge for the Woodbury County Drug Court Program. She is a member of the city's Human Rights Commission and active in the Quota Club, an international service organization.

Ms. Owens describes herself as a woman motivated by challenges. As a volunteer with the Sioux City Police Department, Ms. Owens took the initiative to develop a program to provide domestically abused women with cellular phones so they could better protect themselves. She also spent a series of weeks attending the Sioux City Police Citizens Academy where she was trained on the responsibilities and challenges facing police officers.

Ms. Owens' concern for her family is also a driving force for her involvement. Her desire to play an active role in her mother's care prompted Ms. Owens to join the care review board at the care center where her mother lived. Although Ms. Ownens' mother passed away 5 years ago, she is still involved as a resident advocate, currently serving as the chairperson for the care review committee. She visits with the residents at least once a month and works with staff to take care of any problems at the center.

Ms. Owens has six grandchildren and one great-grandchild. Her concern for their education motivated her to become a member of the Board of Education equity committee. She is currently the chairperson of the committee. Her mission is to ensure that education in Sioux City is equally and equitably dispensed to all students.

Beyond her community involvement, Ms. Owens enjoys raising tomatoes, reading, and feeding the birds, squirrels and rabbits. She lives with her cat Mr. Roberts and her dog Jordan.

I thank Ms. Owens for helping to make Sioux City a better place to live. Her initiative and compassionate care for others is an example to us all that we should contribute to our communities, no matter what our age.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LIEBERMAN. 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. LIEBERMAN. Mr. President, am I correct that the Senate is now in a period of morning business?

The PRESIDING OFFICER. That is correct.

BUDGET RESOLUTION DELIBERATIONS

Mr. LIEBERMAN. Mr. President, I rise today to speak about the deliberations that are now going on in both Houses of the Congress about the budget resolution, which will be before the Senate certainly some time this week.

This is a most important time in this session and, I believe, is a moment of historic opportunity for our economy. As I have followed the debate, I have seen questions raised about, where is the Centrist Coalition in the Senate? Where are the so-called moderates? I know some voted for the Senate-passed budget resolution when it came up in the Senate earlier. I think some of those moderates are having second thoughts or are raising questions about the state in which that resolution came out of the conference committee, from which, as we know, Members of the Democratic Party were excluded.

I want to speak with my colleagues today about my own feelings on this budget resolution. I do so as someone who has been a proud founding member of the Senate bipartisan Centrist Coalition, a founding member of the Senate New Democratic Coalition, because I truly believe this budget resolution, as it has come out of the conference committee, challenges and tests each of us on our fundamental views about what Government is about and what, most of all, fiscal responsibility is about.

I have always believed that at the heart of being a so-called centrist or moderate is fiscal responsibility—that we will take care of the people's money here—more than a trillion dollars of it that we have charge of every year—with the same fiscal responsibility that the American people handle their own money in their personal lives, in their families, and in their businesses.

As I looked at this budget resolution that has emerged from the conference committee, it is my strong feeling that it lacks more than just the two missing pages that are now being retrieved. This budget resolution profoundly lacks fiscal responsibility. It will not only do nothing to address the economic downturn that more and more Americans are feeling the pinch and pain of right now; I fear that it will set us on the road back to increasing debt,

to budget deficits, to increasing interest rates that go with increasing deficits and debt, and to the rising unemployment and falling investment that go with higher interest rates.

This budget resolution is fiscally irresponsible. It is a tax plan, as colleagues have said, that is trying to look like a budget plan. I will put it this way: It is a tax plan, but it is not what we need, which is a prosperity and progress plan. It does not answer the question of how we continue the prosperity and progress of the last several years.

I want to cite a few concerns I have about this budget resolution as it has emerged from the conference committee, which we will debate this week. First, to the best of my understanding, there is no longer a short-term, immediate economic stimulus component to this budget. During the recent debate on the Senate-passed budget resolution, several of us in both parties spoke to the need for an economic stimulus, as we watched important economic indicators going down. When the budget resolution came up in the Senate, our colleague, Senator HOLLINGS from South Carolina, and several of the rest of us, sponsored and passed an amendment that set aside $85 billion of the current year's surplus for an economic stimulus in order to get money out to the taxpayers—every one of them, whether they pay the payroll tax or the income tax, as soon as humanly possible. We believed it was and still is important to put money in the pockets of all taxpayers this fiscal year so they can go spend it, boost the economy, and raise consumer confidence. It is my understanding that the conference committee has effectively removed the stimulus component from the budget resolution that will come before us this week. It is gone even as the economic indicators from the official bureaus of our Government and other organizations tell us that we need that economic stimulus even more today than when we voted in this Chamber just a few short weeks ago to adopt it. But it is not there.

Just last week we learned that the unemployment rate for April shot up to 4.5 percent. That is the highest level of unemployment in America in more than 2½ years. Even more troubling, last month U.S. businesses cut their payrolls by the largest amount, 223,000 jobs, since the recession year of 1991. That is as clear an alarm bell as we could have and as clear a call for a short-term economic stimulus as we should need. Yet, it is not in this resolution.

In addition, the University of Michigan, which has been measuring consumer sentiment in this country for many years, reported that consumer confidence fell last month to the lowest level it has been in 7 years. This is not some political group, some partisan group; these are credible indicators. They cry out for the short-term economic stimulus—to get the money back into the pockets of America's consumers to spend and raise consumer confidence. And it is not there in this budget resolution.

Secondly, the tax cut in this conference report seems to be growing well beyond the Senate-passed figure of $1.18 billion and even beyond the $1.25 billion that the Republican conferees claim is in this budget resolution. It seems that the $100 billion that was supposed to go towards an immediate economic stimulus is being rolled back into the larger Bush tax plan, bringing the real total to $1.350 trillion. Add to that an additional $50 billion in this budget resolution for other revenue reductions and you are up to $1.4 billion. That number doesn't include some of the automatic tax extenders that get renewed on a regular basis. It doesn't include necessary reforms to the alternative minimum tax that will be necessitated by this $1.4 trillion tax plan. It doesn't include increased interest payments on the debt that will have to be paid because we are spending so much of the surplus.

Mr. President, I predict to you that if we should adopt this unfortunate, mistaken and, in my opinion, threatening-to-our-economy budget resolution, the tax plan will cost, at a minimum, $1.6 trillion. It will probably cost much closer to $1.8 trillion. I am sure when we get the resolution on the floor, we will have a clearer estimate of that. That tax cut will be taken out of what remains of a projected of $2.5 trillion 10-year on-budget surplus. But that $2.5 trillion surplus is based in part on an economic growth rate of 2.4 percent this year.

However, the Congressional Budget Office has actually run some numbers on what would happen to that projected surplus if the growth rate slows this year. Some economists do think we are going into a recession this year, where at the end of the year we will actually have negative growth. I hope and pray not. According to the Congressional Budget Office, if that happened, if the growth rate for this year alone dropped to .1%, there would be a $47 billion drop in the projected surplus this year and a total reduction in the surplus of $133 billion over the following 10 years.

That analysis even assumes that there would be continued robust 3.1-percent growth over the following 9 years, which no one can assume. So you take whatever the tax cut ends up being—$1.7 trillion or $1.8 trillion—out of that, and then you look at the spending side of this budget resolution, next year's domestic discretionary spending in the budget resolutions coming out of the conference committee does not keep up with the expected rate of inflation.

So at a time when we are looking forward to surpluses, when we know from our families and our businesses that you have to make responsible investments to continue to grow, this budget is spending it almost all on the tax plan and saving very little for the kinds of investments that we need to make to keep our country strong, to continue the prosperity and the progress.

Where are we going to get the money after this enormous tax plan proposal by President Bush and our colleagues in Congress is taken out of the surplus that we hope will exist—where are we going to get the money to invest in education, which every conversation I have had with people in my State of Connecticut, and every public opinion survey says is the No. 1 priority of the American people? Where are we going to get the money to invest in keeping our Nation strong, our national defenses? The numbers that are coming out of the Pentagon—rumored at this point—are quite high.

I am a member of the Senate Armed Services Committee. I am privileged to serve with the distinguished occupant of the Chair, the Senator from Florida. One could make a case for some of these numbers, in my opinion. We need to invest more in our defense, but where is that money going to come from if domestic discretionary spending is held below the rate of inflation and so much goes to that tax plan?

We are going to do serious harm to our economic future if we pass this fiscally irresponsible budget resolution. There is no way we can continue the operations of our Government in a realistic and responsible way if we adopt this budget. That is even assuming that good economic times return soon again next year and that this current downturn does not develop into a longer recession. There is no way we are going to pay the bills that are part of this budget resolution without dipping into the Social Security and Medicare trust funds.

What happened to the lockbox everybody was talking about for Social Security and Medicare? Our seniors and those in the baby boom generation who are going to be coming into their senior years are expecting Social Security and Medicare to be there. With this conference report, they are going to find the viability of those funds have been hurt by a fiscally irresponsible budget. These are pivotal considerations and votes we are going to have this week.

We have learned a lot in the last decade about the role of Government in the economy. One of the things we have learned, certainly centrist, New Democrats know, is that the Government does not create jobs. The private sector creates jobs. But Government can create an environment for growth, an environment in which the private sector can flourish.

The first and most important thing that Government can do is to be fiscally responsible.

The second thing is to have some money to invest in what creates growth, particularly in the high-tech information age. Nothing creates growth more than an educated public.

We need to invest in our schools. We need to invest in training and retraining of existing workers. Yes, we ought to have tax cuts. We ought to have some tax cuts that help working families deduct the cost of higher education for their children or the cost of retraining programs for themselves.

I am afraid this budget resolution, which carries out a campaign promise the President made in New Hampshire more than a year and a half ago when the economy was not in a downturn, when others he was running against were proposing flat taxes and he responded, will take us down the road to exactly where our history should tell us we do not want to go.

This budget resolution is fiscally irresponsible. The economics do not make any sense. I am tempted to call it voodoo economics, Mr. President. The numbers do not add up and America's economy will suffer for it. Even more to the point, and personally, what will be hurt if we do not gather together, centrists of both parties, to speak for fiscal responsibility and reasonable investments and fiscally responsible tax cuts is the quality of life of millions of American families and the strength and stability of millions of American businesses.

I urge my colleagues to look closely at this budget. Let us work across party lines on it and let us make it what the American people deserve and expect it to be: a fiscally responsible progress and prosperity budget.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. Mr. President, I associate myself with the comments made by the Senator from Connecticut. If the budget comes back as reports indicate the conference may send it back, I, who voted for it the first time, will not be able to vote to support that budget conference report.

The Senator from Connecticut has very well made the points. For me, it is a profound disappointment that something I thought we had worked out and was understood is going to be reversed and come back in a conference report which is, for most of us, unacceptable.

Mr. President, I know the hour of 2 o'clock is approaching. I ask unanimous consent that the time be extended just so I may finish my comments today.

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

Mrs. FEINSTEIN. I thank the Chair.

ENERGY PRICES AND THOSE WHO BENEFIT

Mrs. FEINSTEIN. Mr. President, last week I rose to speak about the businesses and consumers in California and the West who are facing exorbitant energy bills that could threaten the very livelihood of their businesses. These are people who have been hurt by the crisis. Today I want to talk about those who have benefited from the crisis.

One can look at this chart and you can see something is wrong because the total cost of power in California in 1999 was $7 billion, the total cost in the year 2000 was $32 billion, and the projected cost in the year 2001 is $65 billion.

That kind of a hike does not happen without someone profiting.

Electricity is not an automobile. It is not a fur coat. It is not a home. Electricity is a basic staple of human life. If the street lights do not function, there are accidents. If people cannot run their respirators, death may result.

California is now in a position where businesses are laying off employees, businesses are closing. I cannot emphasize enough how people are hurt by this.

Let us look at an example of high power prices by taking one random day this past winter: December 15, 2000. On this day, electricity prices ranged from $429 a megawatt hour to $565 a megawatt hour, depending on the time of day.

What makes that significant? Look back 1 year to 1999, same day, same month. The price was $12 a megawatt hour to $29 a megawatt hour. These are wholesale prices. This represents in 1 year an increase of 3,500 percent and 1,900 percent, respectively.

If we want to take a look at prices in a more recent month, let us look at February 2001. Wholesale energy costs in February averaged $361 a megawatt hour, more than 12 times the average wholesale cost of $30 a megawatt hour in February of 2000.

I mentioned earlier that the utilities, as a product of a very flawed State bill, had to divest themselves of their power-generating facilities. To show the difference, consider that when Southern California Edison had its generating facilities, it was selling power at $30 a megawatt hour. When Edison sold it to an out-of-State generator, the generator immediately turned around and charged $300 a megawatt hour. That is what is happening.

Clearly, California's deregulation has turned out to be an abysmal failure for the State, for consumers, for businesses, and for California's investor-owned utilities, one of which is in bankruptcy, PG&E, and the other which is perilously close, Southern California Edison.

Last week, the Federal Reserve estimated that, on average, each California household will pay $750 out of their pocket to compensate for higher energy costs this year. Additionally, over the past year, the natural gas component of the CPI rose by 68 percent in western metropolitan areas, boosted in part by a nearly 135-percent increase in the index in the San Francisco Bay area.

However, having said this, not everyone has been a loser. Let us talk a moment about the winners because it is quite revealing.

California's six largest nonutility energy suppliers are all based outside the State. Together they own or market roughly 17,000 megawatts of capacity. That is roughly a third of the total capacity in the State, and it is roughly enough for 17 million households. They are companies such as Dynegy, Duke Energy, Mirant, NRG Energy, Reliant, and Williams. These are not the only ones benefiting from the crisis. But for these six companies, profits more than doubled from 1999 to 2000. In some cases, the companies' subsidiary operating units doing business in California's wholesale power posted even larger gains than their parent companies.

If you look at this chart, the gray is 1999 and the red is 2000. Williams Energy Marketing and Trading Company, a subsidiary of Williams Energy Services, which sells energy from California facilities, saw profits increase nearly tenfold, from $104 million in 1999 to over $1 billion in 2000.

For Reliant's wholesale energy business, which supplies energy to California and other competitive markets, operating income rose almost 1800 percent, from $27 million in 1999 to $482 million in 2000. These are last year's numbers, but already these firms are again posting dramatically higher profits from this winter. Recent first quarter earnings announcements by energy companies reveal that firms continue to profit big time.

For example, Calpine Corporation announced a 424-percent increase in earnings, raking in $94.8 million in the first 3 months of the year compared with $18 million last year.

Mirant, formally Southern Company, announced record first quarter earnings of $175 million, up 84 percent, the equivalent of 51 cents per share.

Williams reported a first quarter profit of $378 million, more than double its results a year ago.

It is important to note that supply and demand have remained virtually the same over this period of time. There has been less than a 4-percent increase in demand. The imbalances in the market do not justify these astonishing increases in price.

One of the most amazing things to me is to see how little concern there is about what is happening in this very large State. Last week, the Federal Energy Regulatory Commission ordered the Williams Company to refund $8 million for withholding power from the California market last summer. This is the first action of its kind by FERC, who found that Williams intentionally and improperly shut down plants with the implicit understanding that withholding power from the market would drive up prices. We know it is happening now.

Last April and May, Williams shut down two of its generating units in Long Beach and Huntington Beach that were obligated to sell electricity to the California grid operator, forcing the ISO to look elsewhere for power. Williams—this is the rub—Williams

would have been paid $63 a megawatt hour if the power plants were running; instead, the ISO had to spend $750 a megawatt hour to purchase electricity from other generating units. This withholding of power netted Williams $11 million.

The Williams Energy Marketing and Trading Company has agreed to refund $8 million under the FERC order, although they profited $11 million by purposely shutting down the plants to raise the price.

Last week it was reported that Duke Energy was attempting to negotiate with Governor Davis to settle similar allegations about Duke plants that were off line. Documents released last week reveal that in March, Duke approached the Governor's office to offer a discount on some of the $110 million owed to the company in exchange for an assurance by the Governor that Duke would not be investigated for keeping plants off line. I think that is just dreadful. A major generator approaches the Governor and tries to make a settlement so that company will not be investigated. This evidence demonstrates that power has been intentionally withheld from the market.

This is not an issue about supply and demand. Vice President CHENEY, Secretary Abraham, and FERC Chairman Hebert argue if we try to regulate prices, companies will not build new plants. Traditionally, companies have earned 10 to 15 percent profit in the energy sector, but now we are seeing profits in the hundreds and thousands of percents. The administration says companies need these high profits to build new powerplants. But at what point does reasonable profit become price gouging?

Again, electricity isn't a luxury good, it is a staple of life. Again, the Federal Energy Regulatory Commission has found these prices unjust and unreasonable. But the FERC will do nothing about it. Californians are outraged.

Last week, the Lieutenant Governor of California sued Duke, Mirant, Reliant, Williams, and Dynegy in Los Angeles Superior Court accusing the firms of price fixing in violation of State antitrust and unlawful business practices laws.

Today, the California State Assembly speaker and State Senate president pro tempore will sue FERC for the Commission's failure to ensure that rates are just and reasonable as required under the Federal Power Act. I support their cases. Again, I call on FERC to cap wholesale prices until new plants can come on line in California.

The price gouging I have talked about today will have rippling effects that will affect everyone not only in California but likely the entire country. Already, Washington and Oregon are suffering from high electricity prices.

If the FERC and the Federal Government continue to offer piecemeal solutions, the world's sixth largest economy, California, and the Nation's economy may very well pay the price. Now is the time to act. That is why Senator GORDON SMITH and I have introduced comprehensive legislation to address the price and supply problems up to March of 2003, at which time it is estimated there will be enough power on line to protect against the price gouging we are experiencing today.

Today, California may well experience the first rolling blackouts of the summer. As a matter of fact, we have just learned that the Major League baseball games are going to go on a rain delay should there be a rolling blackout. The games will stop until after the blackout ceases. This is clearly a problem for California and other States.

DOMESTIC DRUG UPDATE

Mr. GRASSLEY. Mr. President, last month I held a hearing on the Ecstasy problem affecting today's youth. At that hearing the White House released a Pulse Check report on drug trends over the past year. I would like to draw my colleagues' attention to the information in this report.

Drug use in our nation is still increasing. The Pulse Check report found that for most drugs, the availability and usage has been getting worse. It is clear we must take further steps to combat this increase in availability.

The report included information collected from cities all over the country, both urban and rural. It found that heroin use is increasing relative to cocaine. The availability of heroin has been increasing. In fact, drug experts reported that heroin is readily available on our streets, and about half of these experts stated that access to heroin is getting easier. Heroin purity is also increasing, especially as Colombian white heroin is showing up on our door. One major trend found across the nation is that more and more young people are taking up heroin. This is a scourge that must be stopped.

There is another drug that's devastating our young people: Ecstasy and other so-called ''club drugs.'' The report highlighted the dramatic increases in use, particularly among teenagers. Eighteen of twenty cities in the report found Ecstasy to be an emerging concern. Ninety percent of drug treatment and law enforcement experts attest that the availability of Ecstasy has increased in the past year, in spite of all the attention it's been given. It's time we stop just talking about this problem that's destroying our youth, and start taking real action to educate our children and stop the easy availability of this drug at parties and clubs and increasingly in our schoolyards.

Use of other drugs remain at high levels. Marijuana is still widely available, and law enforcement officials regard marijuana as a major threat to our cities. Cocaine, crack, methamphetamine, and other drugs are also increasing in availability and presenting a growing threat to our law enforcement personnel and to all Americans. The Pulse Check report found that the one trend that transcended all drugs was that the users were increasingly likely to be younger people. The age of onset of use is dropping. This heightened assault on our young people cannot be allowed to continue. We must stop the drug trafficking in our schools and near our children.

There were a few positive signs in the report, however. Crack and marijuana use seem to be leveling off, and it appears our efforts are beginning to work in these areas. More effort should be placed in these areas so we do not lose any momentum in fighting these drugs.

I received another report, from the Pew Research Center, that discusses the American people's feelings on the drug war. Pew reports that 74 percent of Americans feel that we are losing the drug war. Drugs also ranked as the number one concern for rural areas, such as my home state of Iowa. This is an issue that clearly affects everyone; there is no place left to hide from this scourge. Americans are worried about this problem, and with good cause.

I wish I had more good news to report, but unfortunately the drug problem remains serious. Drug use is up sharply among our youth, and availability of most drugs is increasing as traffickers are increasing the flow of drugs into our country and into our schools. Bold steps must be taken to let our children know the risks of these drugs, while also stopping the pushers before they reach young people.

THE NEED FOR CONTROL OF GREENHOUSE GASES

Mr. AKAKA. Mr. President, I rise today to discuss an issue that is very important to a large number of Americans. It is the issue of global climate change and the control of greenhouse gases.

One of the most profound challenges we face in the 21st century is the problem of global climate change. Global climate change has the potential to cause widespread damage to large parts of our planet. An increasing body of scientific evidence indicates that human activities are altering the chemical composition of the atmosphere through the buildup of greenhouse gases, primarily carbon dioxide, methane, and nitrous oxide. The heat trapping property of these greenhouse gases is undisputed. Scientists and public policy experts are convinced that we need to address this problem.

We cannot wait longer for even more scientific proof of when and how climate change will begin. One Pacific leader summarized our dilemma best when he said ''We do not have the luxury of waiting for conclusive proof of global warming. The proof, we fear, will kill us.''

Prudence dictates that we start addressing this issue immediately. Solutions may not be easy, quick, or cheap;

however, if we do not address this problem soon, the costs will be much higher.

President Bush's reversal of his carbon dioxide pledge is a serious blow to the efforts to control greenhouse gases. The Administration's position on the Kyoto Protocol diminishes the role of the United States in developing a suitable framework to deal with the challenge of global climate change in a cooperative manner with other countries. The United States has the scientific and technical prowess and industrial might to play a leading role in controlling the emissions of greenhouse gases. As the source of over a quarter of the planet's carbon dioxide emissions, we have a responsibility to act decisively. If we abandon our leadership role, not only will history judge us harshly, but we will also pay a dear price for our shortsightedness.

I represent the state where debate over global warming began. The Mauna Loa Climate Observatory in Hawaii was the first to document a steady increase in the atmospheric carbon dioxide levels more than 30 years ago. Since then many authoritative studies have been conducted that document increased levels of greenhouse gases. It is now widely accepted by the scientific community that human activities such as burning of fossil fuels, deforestation, and certain land-use practices are increasing atmospheric concentrations of carbon dioxide and other greenhouse gases. Careful measurement of those gases in the atmosphere, and analyses of ancient ice cores in Greenland and Antarctica, leave no doubt that their global concentrations are increasing.

Modeling studies show that emissions of greenhouse gases due to human activities are affecting the atmosphere in a predictable manner. Confidence in the ability of complex models to project future climatic conditions has increased. There is new and stronger evidence that most of the warming observed over the last 50 years is attributable to human activities.

Temperatures have risen during the past four decades in the lowest 8 kilometers of the atmosphere. Snow cover and ice extent have decreased. There has been widespread retreat of glaciers in the non-polar regions during the 20th century. Average global sea level has risen and ocean heat content has increased.

The effects of major global climate change on the U.S. and the rest of the world will be devastating. I would like to describe the possible effects of climate change on Hawaii. As an island state with limited land mass, we are very sensitive to global climate changes. The worldwide problem of greenhouse gases threatens Hawaii. Honolulu's average temperature has increased by 4.4 degrees over the last century. By 2100, average temperatures in Hawaii could increase by three to five degrees Fahrenheit in all seasons and slightly more in the fall. Rainfall has decreased by about 20 percent over the past 90 years. Estimates for future rainfall are highly uncertain because reliable projections of El Niño do not exist. It is possible that large precipitation increases could occur in the summer and fall. The intensity of hurricanes may be affected. Expansion of the habitat of disease-carrying insects could increase the potential for diseases such as malaria and dengue fever.

In Honolulu, Nawiliwili, and Hilo, our major harbors, sea level has increased six to fourteen inches in the last century and is likely to rise another 17 to 24 inches by 2100. The expected rise in the sea level could cause flooding of low lying property, loss of coastal wetlands, beach erosion, saltwater contamination of drinking water, and damage to coastal roads and bridges. The shorelines of the Hawaiian Islands contain some of the world's most famous white-sand beaches. The effects of an accelerated sea level rise on the coral reef ecosystem which protects our islands are poorly understood. Higher temperatures could cause coral bleaching and the death of coral reefs. Hawaii's economy could also be hurt if the combination of higher temperatures, changes in weather, and the effects of sea level rise on beaches make Hawaii less attractive to visitors.

Hawaii's diverse environment and geographic isolation have resulted in a great variety of native species found only in Hawaii. However, 70 percent of U.S. extinctions of species have occurred in Hawaii, and many species are endangered. Climate change would add another threat.

People around the world are beginning to take this problem seriously. To reduce carbon dioxide output, Mexico is planning to double its geothermal power generation, placing it third behind the United States and the Philippines in the use of geothermal power. China, with 11 percent of the world's carbon dioxide output, second to the U.S., has reduced its greenhouse gas output by 17 percent between 1997 and 1999.

In the U.S., municipal governments are working to reduce carbon dioxide emissions. In 1993, Portland, Oregon, became the first U.S. city to implement its own CO_2 reduction plan. Portland has been joined by Denver and Minneapolis.

In recent years, more and more multinational corporations have taken positive steps to address the problem of greenhouse gases. British Petroleum set the goal of cutting carbon dioxide output 10 percent below its 1990 level. Four years later it is halfway there. Last October, Alcan, DuPont, and others pledged to reduce their greenhouse emissions to levels meeting or exceeding the Kyoto requirements. Polaroid, IBM, Johnson & Johnson, and others are also committed to reducing corporate greenhouse gas emissions. Fuel cells are on the verge of providing big breakthroughs in the use of clean energy. All major automobile companies are committeed to this new, clean technology.

We cannot wait for further scientific proof to materialize. If we do not begin to control greenhouse gases in a reasonable time frame, we may reach the point where it may be exceedingly difficult to avoid the drastic effects of global warming. It will not take extremes of warming to lead to major impacts.

We need to address the problem of global climate change, and the sooner we start on this the better off we will be. No one wants our efforts to combat carbon dioxide emissions to become an economic nightmare.

An effective program to fight climate change need not involve huge increases in energy prices or draconian rules that choke industries and damage our economic well-being. We need to employ creative approaches and let American ingenuity loose. We must invest in the development of new technologies that will provide new and environmentally friendly sources of energy, newer and environmentally friendly technologies that allow use of conventional and non-conventional energy sources. We must work with other nations in a cooperative manner. A well-crafted strategy can address global climate change and maintain our preeminent economic position in the world.

I urge President Bush to reconsider his position on the control of carbon dioxide. I urge the Administration to work with other countries in developing suitable and equitable approaches in solving this shared problem of control of greenhouse gases. Our positive leadership is necessary if we are to avoid the catastrophic effects of global climate change. Our world cannot afford widespread disruption of ecosystems and weather patterns that may result from unmitigated emissions of greenhouse gases.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY last month. The Local law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

Today, Mr. President, I would like to detail a heinous crime that occurred June 10, 2000 in Albuquerque, New Mexico. A man in a minivan yelling obscenities ran down participants in a gay pride parade. One victim was hit twice in the knees and thrown off the hood. The perpetrator tried to swerve into the crowd, which included small children, three times before police pulled him out of the vehicle and arrested him.

I believe that government's first duty is to defend its citizens—to defend them against the harms that come out

of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

EXCELLENCE IN NORTH CAROLINA'S MILITARY INSTALLATIONS

Mr. HELMS. Mr. President, from time to time historians like to engage in a sort of parlor game in speculating whether circumstances create great leaders or whether leaders serve as the catalyst for great change.

In my view, there's no doubt that greatness springs from the character of individuals. President Reagan understood this fundamental truth. He also understood that the American people, particularly the men and women in our armed services, will meet any challenge with proper encouragement to strive for excellence.

Ronald Reagan's faith in the American people enabled him to inspire our citizens and to restore our collective confidence at a critical time in America's history. Inheriting a military in decline and a nation said to be in a ''malaise'' by his immediate predecessor, President Reagan chose not to shrink from the enormous challenges facing our Nation.

Instead, he stood firm in his resolve. Overcoming the predictable partisan criticism, he successfully rebuilt our national defense and restored United States power and prestige throughout the world.

In 1984, in rebuilding our military, President Reagan established the Commander-in-Chief's Annual Award for Installation Excellence. In doing so, he issued an open challenge to the men and women responsible for defending the United States of America": That they do the ''best job with their resources to support our mission,'' and that ''they seek out the most imaginative and innovative solutions to the many complex problems [they] face.''

Mr. President, ever since Ronald Reagan's first presentation in 1985, the Commander-in-Chief's Award has served as the highest commendation for a military installation. It is a tangible recognition of the hard work, dedication, innovation, and professionalism of the service-members and civilians who serve in our armed forces. (In each year since, only five awards have been presented only to the most outstanding installation of the four service branches and the Defense Logistics Agency.)

This year, for only the second time in history, three installations in a single state rose to President Reagan's challenge and were presented during the same year with the Commander-in-Chief's Award.

In ceremonies at the Pentagon last week, Mr. President, representatives of Seymour Johnson Air Force Base, Fort Bragg, and Camp Lejeune—all three in North Carolina—were present to receive this well-deserved recognition on behalf of their respective services.

Though this is just the second time a state has accomplished this remarkable feat, North Carolina installations have been honored frequently in previous Commander-in-Chief Award ceremonies. In fact, North Carolina installations have won a total of 13 awards, more than any other state.

By the way, Mr. President, North Carolina also has the distinction of having been home to the base that has won the award more often than any other in the country. While not selected this year, the Cherry Point Marine Corps Air Station has won its services' award on six occasions overall, four times in the past six years.

In fact, North Carolina's two Marine Corps bases have so dominated the award that they have won it a total of ten times and kept it in our state for the past six years.

Mr. President, I submit that it is no accident that North Carolina's military installations fare so well in this annual competition. The communities which embrace our bases—Goldsboro, Fayetteville, Jacksonville and Havelock—are filled with patriots who do everything possible to support the young men and women who put their lives on the line to protect our great nation. These North Carolina communities work closely with our installation commanders to support their efforts to make certain that our servicemen and women have everything they need to safely and successfully accomplish their missions and to improve the quality of their lives.

In 1984, President Reagan appealed to the best instincts of the men and women in our military when he established this annual award. In so doing, he has helped highlight a legacy of excellence among the installations in my home state.

Mr. President, needless to say, I'm extremely proud of our bases and communities and their achievements.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, May 4, 2001, the Federal debt stood at $5,641,702,535,760.39, five trillion, six hundred forty-one billion, seven hundred two million, five hundred thirty-five thousand, seven hundred sixty dollars and thirty-nine cents.

One year ago, May 4, 2000, the Federal debt stood at $5,661,533,000,000, five trillion, six hundred sixty-one billion, five hundred thirty-three million.

Twenty-five years ago, May 4, 1976, the Federal debt stood at $595,840,000,000, five hundred ninety-five billion, eight hundred forty million, which reflects a debt increase of more than $5 trillion, $5,045,862,535,760.39, five trillion, forty-five billion, eight hundred sixty-two million, five hundred thirty-five thousand, seven hundred sixty dollars and thirty-nine cents during the past 25 years.

ADDITIONAL STATEMENTS

RECOGNITION OF AUSTIN GUNDER, ''F1J'' WORLD CHAMPION

• Mr. SANTORUM. Mr. President, I rise today to recognize the outstanding accomplishments of Austin Gunder, a 15-year-old freshman at Red Lion High School in York County, PA. Austin recently competed with the U.S. Junior Aeronautic International Free Flight Model Aircraft Team in the Junior World Championship Contest held in Seaimovo Usti, Czech Republic.

A member of a six-person team selected by the Academy of Model Aeronautics, AMA, Austin achieved the World Champion Ranking in what is known as the ''F1J'' or the powered event. This event involves taking a model airplane designed and constructed by the contestant, putting a very small engine and propeller on it, launching it vertically for an exact period of no more than seven seconds to the highest obtainable altitude, and then having the engine shut off with the airplane going horizontal at exactly the right time to starts its timed free flight glide. This is all done by adjusting the small airplane to obtain peak performance, and by testing and practicing to assure that every operation is perfect. The contestant must calculate the most favorable temperature and winds for the 10-minute window in which to fly. Austin was the only U.S. competitor, and he achieved World Champion Ranking 9 minutes into his flight beating out 13 other contestants from all over the world who competed in the event.

Austin Gunder was featured on the cover of the February 2001 issue of Model Aviation, the official publication of the Academy of Model Aeronautics, and will be honored at his high school by the Federal Aviation Administration. Austin's World Champion status in the ''F1J'' competition is the highest honor of the model airplane organization.

Austin Gunder is an outstanding young man and a great example for youth in the Commonwealth of Pennsylvania and across the country. I personally commend him for his accomplishments in the field of aeronautics and wish him the very best as he prepares himself for the future challenges that lie ahead.•

RECOGNITION OF HEATHER EAGLESTON

• Mr. HUTCHINSON. Mr. President, I rise today to recognize Miss Heather Eagleston of Mountain Home, AR. Heather recently won the Arkansas 2001 ''RespecTeen Speak for Yourself'' Contest. In her entry letter, Heather passionately described her personal experience with her brother's tragic accident and resulting paralysis and the problems he now faces everyday with disabilities discrimination. It was for families like this one that we passed

the Americans with Disabilities Act just over 10 years ago and, during the 106th Congress, the Ticket to Work and Work Incentives improvement Act of 1999. However, as President Roosevelt once said, ''the credit belongs to the man who is actually in the arena . . . who does actually strive to do the deeds.'' In this case, that credit belongs to a thirteen-year-old girl, who has pledged herself in an effort to combat discrimination against the disabled, and who has already taken a notable step in that direction. I salute Heather for her dedication and congratulate her on this achievement.

Mr. President, I ask that Heather Eagleston's letter and a short biography be printed in the RECORD.

The material follows:

MOUNTAIN HOME, AR,
January 16, 2001.

Hon. ASA HUTCHINSON,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE ASA HUTCHINSON: Eliminating discrimination against disabled people should be a national priority. Even though legislation has been passed addressing their problems, enforcement of existing laws still leaves the disabled individual without even the most basic resources necessary to pursue a normal life.

Access into public buildings, and equal employment opportunities are essential to every citizen of our country. More than half of the population believes that the disabled are being discriminated against in the workforce.

The Rehabilitation Act, of 1973, requires all federal agencies to take an affirmative action in hiring qualified employees with disabilities. Currently, federal government hires only 209,284 people with disabilities. That is only seven percent of the entire work force.

In 1993 my brother was paralyzed in a car accident. His medical bills were about one million dollars, and at that time we had no insurance. My mother had to go to the hospital administrative board and beg them to give my brother the spinal surgery he needed to function. Fortunately, after a long tedious process he did qualify for government assistance.

We have come a long way. The government is making progress but only in small parts. Since 1973 we have had about 20 laws passed on disability rights. The current laws are not being enforced. In 1990 the Americans with Disabilities Act was signed into a law. This included provisions to access all public accommodations. However in 1994, when my brother went to get his senior portrait taken there was no wheelchair access ramp for him to get in, nor in the school sanction. This is only one example of a minor problem that illustrates a major issue.

Initiate stricter penalties for those who will not abide by the laws. Inform the public concerning the law the consequences of ignoring the law.

I will set a standard in my life that focuses on the fact that no United States citizen, despite whatever limitation they might have, feels that their rights are limited due to public ignorance or support from our government. I will speak out for the right of all individuals.

Sincerely,

HEATHER EAGLESTON.

RESPECTEEN SPEAK FOR YOURSELF ENTRY FORM

Judging criteria: Letters will be judged on quality and clarity of thought, quality of argument, effectiveness of supporting data, quality of expression, sincerity and originality, as well as adherence to rules regarding form and length. Entries must address a national issue that a member of a Congress can take action on. At least one sentence in the letter must describe action the writer can take, has taken, or plans to take to help address the issue on the local level. Please keep in mind that if your letter is a state or district winner, your letter will be released to the media.

You must complete all information below for entry into the contest. Please staple this entry form securely to a copy of the letter that you mailed to your U.S. representative.

Please type clearly or print in black ink:

Today's Date: January 30, 2001
First Name: Heather
Last Name: Eagleston
Sex: Female
Date of Birth: August 8, 1987
Age: 13
Grade: Eighth
Email Address: hmeagleston@yahoo.com
First and Last Name(s) of Parent(s) or Guardian(s) and Daytime Phone Numbers: John Eagleston and Amanda Tait
Daytime Phone: (870) 425–9686
Home Street Address: 500 N. Church St. A–7
City: Mountain Home
State: Arkansas
ZIP: 72653
Home Phone: (870) 424–3253
Teacher's Name: Mrs. Helen Gammill
Full School Name: Mountain Home Junior High
School Street Address: 2301 Rodeo Drive
City: Mountain Home
State: Arkansas
ZIP: 72653
School Phone: (870) 425–1231
U.S. Representative (For Your Home Address): Asa Hutchinson
Congressional District (For Your Home Address): #3
Issue discussed in your letter: Discrimination against disabled

Please sign to the right, verifying that the letter is entirely your own work:

Heather Eagleston

Is the number of words in the body of your letter between 150 and 350?: Yes.

Does your letter have the six standard letter parts (heading, inside address, greeting, body, closing, and signature)?: Yes.●

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

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. CRAIG (for himself, Mr. DORGAN, and Mr. CRAPO):

S. 836. A bill to amend part C of title XI of the Social Security Act to provide for coordination of implementation of administrative simplification standard for health care information; to the Committee on Finance.

By Mr. BOND:

S. 837. A bill to amend the Internal Revenue Code of 1986 to provide a safe harbor for determining that certain individuals are not employees; to the Committee on Finance.

By Mr. DODD (for himself and Mr. DEWINE):

S. 838. A bill to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. HUTCHISON (for herself, Mr. BAYH, Mr. HUTCHINSON, Mr. BURNS, Mr. KERRY, Mr. CHAFEE, Mr. KENNEDY, Mr. HELMS, Mrs. CLINTON, Mr. SCHUMER, and Mr. BIDEN):

S. 839. A bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education; to the Committee on Finance.

ADDITIONAL COSPONSORS

S. 145

At the request of Mrs. MURRAY, her name 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. 247

At the request of Mr. HARKIN, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 247, a bill to provide for the protection of children from tobacco.

S. 281

At the request of Mr. HAGEL, the names of the Senator from Hawaii (Mr. AKAKA) and the Senator from Nevada (Mr. ENSIGN) were added as a cosponsors of S. 281, a bill to authorize the design and construction of a temporary education center at the Vietnam Veterans Memorial.

S. 312

At the request of Mr. GRASSLEY, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 312, a bill to amend the Internal Revenue Code of 1986 to provide tax relief for farmers and fishermen, and for other purposes.

S. 503

At the request of Mr. REID, the names of the Senator from California (Mrs. BOXER) and the Senator from North Dakota (Mr. DORGAN) were added as a cosponsors of S. 503, a bill to amend the Safe Water Act to provide grants to small public drinking water system.

S. 548

At the request of Mr. HARKIN, the names of the Senator from New Jersey (Mr. CORZINE) and the Senator from

Minnesota (Mr. WELLSTONE) were added as a cosponsors of S. 548, a bill to amend title XVIII of the Social Security Act to provide enhanced reimbursement for, and expanded capacity to, mammography services under the medicare program, and for other purposes.

S. 581

At the request of Mr. FITZGERALD, the name of the Senator from Iowa (Mr. GRASSLEY) was added as a cosponsor of S. 581, a bill to amend title 10, United States Code, to authorize Army arsenals to undertake to fulfill orders or contracts for articles or services in advance of the receipt of payment under certain circumstances.

S. 587

At the request of Mr. CONRAD, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 587, a bill to amend the Public Health Service Act and title XVIII of the Social Security Act to sustain access to vital emergency medical services in rural areas.

S. 611

At the request of Ms. MIKULSKI, the name of the Senator from New Jersey (Mr. CORZINE) was added as a cosponsor of S. 611, a bill to amend title II of the Social Security Act to provide that the reduction in Social Security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 632

At the request of Mr. NELSON of Florida, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 632, a bill to reinstate a final rule promulgated by the Administrator of the Environmental Protection Agency, and for other purposes.

S. 718

At the request of Mr. MCCAIN, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 718, a bill to direct the National Institute of Standards and Technology to establish a program to support research and training in methods of detecting the use of performance-enhancing drugs by athletes, and for other purposes.

S. 721

At the request of Mr. HUTCHINSON, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 721, a bill to amend the Public Health Service Act to establish a Nurse Corps and recruitment and retention strategies to address the nursing shortage, and for other purposes.

S. 742

At the request of Mr. GRASSLEY, the names of the Senator from Idaho (Mr. CRAPO), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from North Dakota (Mr. DORGAN), the Senator from New Jersey (Mr. CORZINE), and the Senator from Massachusetts (Mr. KENNEDY) were added as a cosponsors of S. 742, a bill to provide for pension reform, and for other purposes.

S. 749

At the request of Mr. FITZGERALD, the names of the Senator from Rhode Island (Mr. REED), the Senator from Illinois (Mr. DURBIN), and the Senator from New Jersey (Mr. CORZINE) were added as a cosponsors of 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.

S. 828

At the request of Mr. LIEBERMAN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 828, a bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for certain energy-efficient property.

S.J. RES. 13

At the request of Mr. WARNER, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S.J. Res. 13, a joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also known as the Marquis de Lafayette.

S. RES. 16

At the request of Mr. THURMOND, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Massachusetts (Mr. KERRY), the Senator from Idaho (Mr. CRAPO), and the Senator from Florida (Mr. GRAHAM) were added as a cosponsors of S. Res. 16, a resolution designating August 16, 2001, as ''National Airborne Day.''

S. RES. 74

At the request of Mr. DAYTON, the name of the Senator from Washington (Mrs. MURRAY) was added as a cosponsor of S. Res. 74, a resolution expressing the sense of the Senate regarding consideration of legislation providing Medicare beneficiaries with outpatient prescription drug coverage.

S. RES. 80

At the request of Mrs. MURRAY, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. Res. 80, a resolution honoring the ''Whidbey 24'' for their professionalism, bravery, and courage.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRAIG (for himself, Mr. DORGAN, and Mr. CRAPO):

S. 836. A bill to amend part C of title XI of the Social Security Act to provide for coordination of implementation of administrative simplification standards for health care information; to the Committee on Finance.

Mr. CRAIG. Mr. President, I rise today to introduce a bill to amend the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act. I am pleased that Senator BYRON DORGAN and Senator MIKE CRAPO are joining with me in this effort today.

I understand the benefits of administration simplification and support the goal of getting healthcare providers to use uniform codes to reduce overall costs through increased efficiencies. However, it was originally intended for the entire package of administrative simplification regulations to be released at one time. This would have allowed for system changes to be included in a comprehensive upgrade. These final provisions are now expected to be released over time, which will drive up the cost substantially for providers and health plans as they will be forced to adapt their systems with every new regulation. For example, identifiers for providers, plans and employers have yet to be finalized, making it impossible to incorporate this information into new computer systems.

In addition to the costs of repeatedly updating systems to be incurred by providers, the overall cost of compliance with the Health Insurance Portability and Accountability Act is expected to exceed the costs of Y2K readiness. Small providers, like those in my state of Idaho, cannot afford the high cost in such a short time frame. A longer timeframe will allow these small providers to pay incrementally for systems upgrades.

In addition, if health plans and providers hurry implementation of these provisions, there is the serious possibility that service problems will arise for consumers, including inaccurate payments and customer service issues. A longer implementation timeframe will also allow providers and plans to address any unanticipated consequences as they arise.

For these reasons, with my colleagues Senators DORGAN and CRAPO, I am introducing this legislation to delay implementation of the administrative provisions until the later date of either October 16, 2004 or two years after the final adoption of all regulations. The regulations that would be impacted by this legislation include electronic transactions, code sets, security standards for the electronic standards, and identifiers for health plans and providers. To avoid confusion, let me be clear that this legislation does not affect implementation of the Health Insurance Portability and Accountability Act medical privacy issues and does not deal with unique health identifiers for individuals.

To ensure that providers, plans and the Department of Health and Human Services are working towards compliance to these provisions, this legislation calls for the General Accounting Office to evaluate the progress of implementation no later than October 31, 2003.

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. 836

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

SECTION 1. COORDINATION OF IMPLEMENTATION OF ADMINISTRATIVE SIMPLIFICATION STANDARDS FOR HEALTH CARE INFORMATION.

(a) IN GENERAL.—Section 1175(b)(1) of the Social Security Act (42 U.S.C. 1320d–4(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—Each person to whom an initial standard or implementation specification is adopted or established under sections 1172 and 1173 applies shall comply with the standard or specification by the later of—

''(A) 24 months after the date on which the Secretary determines that—

''(i) regulations with respect to all of the standards and specifications required by such sections (other than standards for unique health identifiers for individuals under section 1173(b)(1)) have been adopted in final form;

''(ii) regulations implementing section 1176 have been issued in final form; and

''(iii) reliable national unique health identifiers for health plans and health care providers are ready and available; or

''(B) October 16, 2004.''.

(b) RULE OF CONSTRUCTION.—For purposes of section 1175(b)(1) of the Social Security Act (42 U.S.C. 1320d-4(b)(1)), as amended by subsection (a)—

(1) the requirements of such section (relating to issuance of a regulation ''in final form'') shall be considered to be met with respect to a standard, specification, or section if a regulation implementing such standard, specification, or section is issued and becomes effective in accordance with section 553 of title 5, United States Code;

(2) nothing in such section 1175(b)(1) shall be construed as requiring the Secretary of Health and Human Services to take into account subsequent modifications made to such regulation pursuant to section 1174(b) of the Social Security Act (42 U.S.C. 1 320d-3(b)) in making the determination that a regulation has been issued ''in final form'' with respect to a standard, specification, or section; and

(3) nothing in such section 1175(b)(1) shall be construed as limiting or affecting the authority of the Secretary of Health and Human Services to issue or implement the final regulations establishing standards for privacy of individually identifiable health information published in the Federal Register by the Secretary on December 28, 2000 (65 Fed. Reg. 82462), including the requirements of section 164.530 of title 45 of the Code of Federal Regulations.

(c) STUDY OF COMPLIANCE WITH HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996.—

(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study to examine the effect of the enactment of section 262 of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191; 110 Stat. 2021), and regulations issued thereunder, on health plans, health care providers, the medicare and medicaid programs, and the Department of Health and Human Services, including the progress of such entities or programs in complying with the amendments made by such section.

(2) REPORT.—Not later than October 31, 2003, the Comptroller General shall submit to the appropriate committees of Congress a report on the study conducted under paragraph (1).

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 262 of the Health Insurance Portability and Accountability Act of 1996 (Public Law 104–191; 110 Stat. 2021).

By Mr. BOND:

S. 837. A bill to amend the Internal Revenue Code of 1986 to provide a safe harbor for determining that certain individuals are not employees; to the Committee on Finance.

Mr. BOND. Mr. President, for the past several months we have focused extensively on the need for tax relief and the means for achieving it. As the chairman of the Committee on Small Business, I have argued time and again that the individual rate cuts included in the President's tax package will have tremendous benefits for small-business owners, the vast majority of whom pay taxes at the individual rather than the entity level. And time is of the essence since many of these hard-working Americans are now feeling real pain from the down turn in our economy. While I continue to believe that tax relief deserves our immediate attention, I cannot ignore another tax priority for small businesses, simplification of the tax code.

With the year 2000 tax-filing season now behind us, thousands of small-business owners have once again been reacquainted with the stark realities of our current tax code. To keep that picture clearly in mind, let me remind my colleague of the results of an investigation that the General Accounting Office provided to my committee in the last Congress. A small-business owner faces more than 200 Internal Revenue Service, IRS, forms and schedules that could apply in a given year. While no business will have to file them all, it is a daunting universe of forms, including more than 8,000 lines, boxes, and data requirements, which are accompanied by over 700 pages.

Even more disturbing is that in recent years more than three quarters of small-business owners hired a tax professional to help them fulfill their tax obligations. When we consider the complexity of the forms, rules, and regulations, no one should be surprised. And these tax professionals are far from inexpensive. By some estimates, small-business owners pay more than 5 percent of their revenues just to comply with the tax law, five cents out of every dollar to make sure that all of the records are kept and the forms completed, all before the tax check is even written.

The list of tax provisions crying out for simplification has grown considerably in recent years. Therefore, earlier this year, I introduced the Small Business Works Act, (S. 189), which includes a number of tax-simplification proposals. Today, I rise to introduce additional legislation focusing on a particularly troubling and long-standing area of complexity for America's businesses and entrepreneurs—the status of independent contractors.

Beginning in the last decade and continuing today, there has been an important shift in the American workplace, with an increasing emphasis on independent business relationships. The traditional single-employer career is rapidly being supplanted by independent entrepreneurs who provide specialized services on an ''as needed'' basis. They seek out individual contracts, apply their expertise, and move onto the next opportunity, bound only to their creativity and stamina. The members of this new workforce are often described as independent contractors, temps, freelancers, self-employed, home-based businesses, and even free agents. Whatever their title, they are a rapidly growing segment of our economy and one that cannot be ignored.

Women in particular are playing an important role in this new business reality. Since the National Women's Small Business Summit, which I hosted in Kansas City last June, I have heard a steady stream of success stories about women entrepreneurs who have left the traditional workforce to start their own independent businesses, often times out of their homes. Today thousands of women are running dynamic businessess in fields like public and media relations, executive assistance, medical transcription, financial planning, management-information-systems consulting, and event planning, to name just a few.

There are a number of reasons for this new business paradigm. Continuing innovations in computer and communication technology have made the ''victual'' office a reality and allow many Americans to compete in marketplaces that not so long ago required huge investments in equipment and personnel. In addition, many men and women in this country have turned to home-based business in an effort to spend more time with their children. By working at home, these families can benefit from two incomes, while avoiding the added time and expense of daycare and commuting. Corporate downsizing, glass ceilings, and company politics, too, contribute to the growth in this sector as many skilled individuals convert their knowledge and experience from corporate life into successful enterprises operated on their own.

The rewards of being an independent entrepreneur are also numerous. The added flexibility and self-reliance of having your own business provide not only economic rewards but also personal satisfaction. You are the boss. You set your own hours, develop your own business plans, and choose your customers and clients. In many ways, this new paradigm provides the greatest avenue for the entrepreneurial spirit, which has long been the driving force behind the success of this country.

With these rewards, however, come a number of obstacles, not the least of which are burdens imposed by the Federal government. In fact, the tax laws, and in particular the IRS, are frequently cited as the most significant problems for independent entrepreneurs today. Changes in tax policy

must be considered by this Congress to recognize this new paradigm and ensure that our laws do not stall the growth and development of this successful sector of our economy.

Since 1995, we have made substantial headway on a number of tax issues critical to these independent entrepreneurs. In the Taxpayer Relief Act of 1997, we restored the home-office deduction putting home-based entrepreneurs on a level-playing field with storefront businesses. The Small Business Job Protection Act of 1996 and the Taxpayer Relief Act also made some important strides on the unbelievably complex pension rules so that the freelance writer, home-based medical transcriber, and other small businesses have the opportunity to plan for their retirement as they see fit. Finally, and arguably most importantly, through several pieces of legislation in the last six years, we have finally made the self-employed health-insurance deduction permanent and placed it on a path to full deductibility by 2003, although still too long in my opinion. These examples are just a few of the tax law changes already enacted that are helping men and women who chose to work as independent entrepreneurs to enjoy a level-playing field with their larger competitors and still maintain the flexibility of their independent business lives.

Amid this progress, however, one glaring problem still remains unsolved for this growing segment of the workplace—there are no simple, clear, and objective rules for determining who is an independent contractor and who is an employee. Through the Committee on Small Business, I have heard from countless small-business owners who are caught in the environment of fear and confusion that now surround the classification of workers. This situation is stifling the entrepreneurial spirit of many entrepreneurs who find that they do not have the flexibility to conduct their businesses in a manner that makes the best economic sense and that serves their personal and family goals. And it is the antithesis of the new business paradigm.

The root of this problem is found in the IRS' test for determining whether a worker is an independent contractor or an employee. Over the past three decades, the IRS has relied on a 20-factor test based on the common law to make this determination. At first glance, a 20-factor test sounds like a reasonable approach, if our home-based financial planner demonstrates a majority of the factors, she is an independent contractor. Not surprisingly, the IRS' test is not that simple. It is a complex set of extremely subjective criteria with no clear weight assigned to any of the factors. As a result, small-business taxpayers are not able to predict which of the 20 factors will be most important to a particular IRS agent, and finding a certain number of these factors in any given case does not guarantee the outcome.

To make matters worse, the IRS' determination inevitably occurs two or three years after the parties have determined in good faith that they have an independent-contractor relationship. And the consequences can be devastating. For example, the business that contracts with a management-information-systems consultant is forced to reclassify the consultant from an independent contractor to an employee and must come up with the payroll taxes the IRS says should have been collected in the prior years. Interest and penalties are also piled on. The result for many small businesses is a tax bill that bankrupts the company. But that is not the end of the story. The IRS then goes after the consultant, who is now classified as an employee, and disallows a portion of her business expenses, again resulting in additional taxes, interest, and penalties.

All of us recognize that the IRS has a duty to collect Federal revenues and enforce the tax laws. The problem in this case is that the IRS is using a procedure that is patently unfair and subjective and one that forces today's independent entrepreneurs into the business model of the 1950s. The result is that businesses must spend thousands of dollars on lawyers and accountants to try to satisfy the IRS' procedures, but with no certainty that the conclusions will be respected. That is no way for businesses to operate in today's rapidly changing economy.

For its part, the IRS adopted a worker-classification training manual several years ago. According to then-Commissioner Richardson, the manual was an ''attempt to identify, simplify, and clarify the relevant facts that should be evaluated in order to accurately determine worker classification. . . .'' While I support the agency's efforts to address this issue, the manual represents one of the most compelling reasons for immediate action. The IRS' training manual is more than 150 pages in length and is riddled with references to court cases and rulings. If it takes that many pages to teach revenue agents how to ''simplify and clarify'' this small-business tax issue, I can only imagine how an independent event planner is going to feel when she tries to figure it out on her own.

In recognition of the new paradigm and the IRS' archaic 20-factor test, I am introducing the ''Independent Contractor Determination Act of 2001.'' This bill is substantially similar to the legislation I have introduced in the past two Congresses to resolve the classification problem for independent entrepreneurs. It removes the need for so many pages of instruction on the IRS' 20-factor test by establishing clear rules for classifying workers based on objective criteria. Under these criteria, if there is a written agreement between the parties, and if our medical transcriber demonstrates economic independence and independence with respect to the workplace, based on objective criteria set forth in the bill, she will be treated as an independent contractor rather than an employee. Moreover, the service recipient, e.g., the doctor or hospital, will not be treated as an employer. In addition, individuals who perform services through their own corporation or limited-liability company will also qualify as independent contractors as long as there is a written agreement and the individuals provide for their own benefits.

The safe harbor is simple, straightforward, and final. To take advantage of it, payments above $600 per year to an individual service provider must be reported to the IRS, just as is required under current law. This will help ensure that taxes properly due to the Treasury will continue to be collected.

While the IRS contends that there are millions of independent contractors who should be classified as employees, which costs the Federal government billions of dollars a year, this assertion is plainly incorrect. Classification of a worker has no cost to the government. What costs the government are taxpayers who do not pay their taxes.

The Independent Contractor Determination Act has three requirements that will improve compliance among independent contractors using the new rules set forth in the bill. First, there must be a detailed, written agreement between the parties—this will put the home-based media-relations consultant on notice at the outset that she is responsible for her own tax payments. Second, the new rules will not apply if the service recipient does not comply with the reporting requirements and issue 1099s to individuals who perform services. Third, an independent contractor operating through her own corporation or limited-liability company must file all required income and employment tax returns in order to be protected under the bill.

The bill also addresses concerns that have been raised about permitting individuals who provide their services through their own corporation or limited-liability company to qualify as independent contractors. Because some have contended that this option would lead to abusive situations at the expense of workers who should be treated as employees, the bill continues to limit the number of former employees that a service recipient may engage as independent contractors under the incorporation option. This limit will protect against misuse of the incorporation option while still allowing individuals to start their own businesses and have a former employer as one of their initial clients.

Much has also been made to the improperly classified employee who is denied benefits by the unscrupulous employer. This issue raises two important points. First, the legislation that I am introducing would not facilitate this troubling situation. Under the provisions of the bill, it is highly doubtful that a typical employee, like a janitor, would qualify as an independent contractor. In reality, this issue relates to

enforcement, which my bill simply makes easier through clear and objective rules. Second, the issue of benefits, like health insurance and pension plans, is extremely important to independent entrepreneurs. But the answer is not to force them to all be employees. Rather, we should continue to enact legislation like the Small Business Job Protection Act, the Taxpayer Relief Act, and the legislation vetoed by the Clinton Administration, that permit full deductibility of health insurance for the self-employed and better access to retirement savings plans.

The Independent Contractor Determination Act also addresses a special concern of technical-service providers, such as engineers, designers, drafters, computer programmers, and system analysts. In certain cases, Section 1706 of the 1986 Tax Reform Act precludes businesses engaging individuals in these professions from applying the reclassification protections under section 530 of the Revenue Act of 1978. When section 1706 was enacted, its proponents argued that technical-service workers were less compliant in paying their taxes. Later examination of this issue by the Treasury Department found that technical-service workers are in fact more likely to pay their taxes than most other types of independent contractors. This revelation underscores the need to repeal section 1706 and level the playing field for individuals in these professions.

In the last three Congresses, proposals to repeal section 1706 enjoyed wide bipartisan support. The Independent Contractor Determination Act is designed to treat individuals in these professions fairly by providing the businesses that engage them with the same protections that businesses using other types of independent contractors have enjoyed for more than 20 years.

Another major concern of many businesses and independent entrepreneurs is the issue of reclassification. The bill I am introducing provides relief to these taxpayers when the IRS determines that a worker was misclassified. If the business and the independent contractor have a written agreement, if the applicable reporting requirements were met, and if there was a reasonable basis for the parties to believe that the worker is an independent contractor, then an IRS reclassification will only apply prospectively. This provision gives important peace of mind to small businesses that act in good faith by removing the unpredictable threat of retroactive reclassification and substantial interest and penalties.

For too long, independent entrepreneurs and the businesses with which they work have struggled for a neutral tax environment. For an equally long time, that tax environment has been unfairly and unnecessarily biased against them. It is well past time that the tax code embraces one of the fundamental tenets of our country, the free market. We must allow individuals the freedom to pursue new opportunities in the ever-changing marketplace through business relationships that make the best sense for them. Our tax code should facilitate those opportunities through fair and simple rules that permit the freelance writer, home-based day-care provider, and every other independent entrepreneur to pay their taxes without under interference from the government. Trying to force today's dynamic workforce into a 1950s model serves no one. It only stands to stifle the entrepreneurial spirit in this country and dampen the continued success of our economy.

The Independent Contractor Determination Act is a common-sense measure that answers the urgent plea from independent entrepreneurs and the businesses that engage them for fairness and simplicity in the tax law. As we work toward the day when the entire tax law is based on these principles, we can make a positive difference today by enacting this legislation. Entrepreneurs have waited too long, let's get the job done!

I ask unanimous consent that the text of the bill and a description of its provisions be printed in the RECORD.

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

S. 837

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 ''Independent Contractor Determination Act of 2001''.

SEC. 2. SAFE HARBOR FOR DETERMINING THAT CERTAIN INDIVIDUALS ARE NOT EMPLOYEES.

(a) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1986 (relating to general provisions relating to employment taxes) is amended by adding after section 3510 the following new section:

''SEC. 3511. SAFE HARBOR FOR DETERMINING THAT CERTAIN INDIVIDUALS ARE NOT EMPLOYEES.

''(a) SAFE HARBOR.—

''(1) IN GENERAL.—For purposes of this title, if the requirements of subsections (b), (c), and (d), or the requirements of subsections (d) and (e), are met with respect to any service performed by any individual, then with respect to such service—

''(A) the service provider shall not be treated as an employee,

''(B) the service recipient shall not be treated as an employer,

''(C) the payor shall not be treated as an employer, and

''(D) compensation paid or received for such service shall not be treated as paid or received with respect to employment.

''(2) AVAILABILITY OF SAFE HARBOR NOT TO LIMIT APPLICATION OF OTHER LAWS.—Nothing in this section shall be construed—

''(A) as limiting the ability of a service provider, service recipient, or payor to apply other provisions of this title, section 530 of the Revenue Act of 1978, or the common law in determining whether an individual is not an employee, or

''(B) as a prerequisite for the application of any provision of law described in subparagraph (A).

''(b) SERVICE PROVIDER REQUIREMENTS WITH REGARD TO THE SERVICE RECIPIENT.—For purposes of subsection (a), the requirements of this subsection are met if the service provider, in connection with performing the service—

''(1) has the ability to realize a profit or loss,

''(2) agrees to perform services for a particular amount of time or to complete a specific result or task, and

''(3) either—

''(A) has a significant investment in assets, or

''(B) incurs unreimbursed expenses which are ordinary and necessary to the service provider's industry and which represent an amount equal to at least 2 percent of the service provider's gross income attributable to services performed pursuant to 1 or more contracts described in subsection (d).

''(c) ADDITIONAL SERVICE PROVIDER REQUIREMENTS WITH REGARD TO OTHERS.—For the purposes of subsection (a), the requirements of this subsection are met if the service provider—

''(1) has a principal place of business,

''(2) does not primarily provide the service at a single service recipient's facilities,

''(3) pays a fair market rent for use of the service recipient's facilities, or

''(4) operates primarily from equipment supplied by the service provider.

''(d) WRITTEN DOCUMENT REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are met if the services performed by the service provider are performed pursuant to a written contract between such service provider and the service recipient, or the payor, and such contract provides that the service provider will not be treated as an employee with respect to such services for Federal tax purposes and that the service provider is responsible for the provider's own Federal, State, and local income taxes, including self-employment taxes and any other taxes.

''(e) BUSINESS STRUCTURE AND BENEFITS REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are met if the service provider—

''(1) conducts business as a properly constituted corporation or limited liability company under applicable State laws, and

''(2) does not receive from the service recipient or payor any benefits that are provided to employees of the service recipient.

''(f) SPECIAL RULES.—For purposes of this section—

''(1) FAILURE TO MEET REPORTING REQUIREMENTS.—If for any taxable year any service recipient or payor fails to meet the applicable reporting requirements of section 6041(a) or 6041A(a) with respect to a service provider, then, unless the failure is due to reasonable cause and not willful neglect, the safe harbor provided by this section for determining whether individuals are not employees shall not apply to such service recipient or payor with respect to that service provider.

''(2) CORPORATION AND LIMITED LIABILITY COMPANY SERVICE PROVIDERS.—

''(A) RETURNS REQUIRED.—If, for any taxable year, any corporation or limited liability company fails to file all Federal income and employment tax returns required under this title, unless the failure is due to reasonable cause and not willful neglect, subsection (e) shall not apply to such corporation or limited liability company.

''(B) RELIANCE BY SERVICE RECIPIENT OR PAYOR.—If a service recipient or a payor—

''(i) obtains a written statement from a service provider which states that the service provider is a properly constituted corporation or limited liability company, provides the State (or in the case of a foreign entity, the country), and year of, incorporation or formation, provides a mailing address, and includes the service provider's employer identification number, and

''(ii) makes all payments attributable to services performed pursuant to 1 or more contracts described in subsection (d) to such corporation or limited liability company,

then the requirements of subsection (e)(1) shall be deemed to have been satisfied.

''(C) AVAILABILITY OF SAFE HARBOR.—

''(i) IN GENERAL.—For purposes of this section, unless otherwise established to the satisfaction of the Secretary, the number of covered workers which are not treated as employees by reason of subsection (e) for any calendar year shall not exceed the threshold number for the calendar year.

''(ii) THRESHOLD NUMBER.—For purposes of this paragraph, the term 'threshold number' means, for any calendar year, the greater of (I) 10 covered workers, or (II) a number equal to 3 percent of covered workers.

''(iii) COVERED WORKER.—For purposes of this paragraph, the term 'covered worker' means an individual for whom the service recipient or payor paid employment taxes under subtitle C in all 4 quarters of the preceding calendar year.

''(3) BURDEN OF PROOF.—For purposes of subsection (a), if—

''(A) a service provider, service recipient, or payor establishes a prima facie case that it was reasonable not to treat a service provider as an employee for purposes of this section, and

''(B) the service provider, service recipient, or payor has fully cooperated with reasonable requests from the Secretary or his delegate,

then the burden of proof with respect to such treatment shall be on the Secretary.

''(4) RELATED ENTITIES.—If the service provider is performing services through an entity owned in whole or in part by such service provider, the references to service provider in subsections (b) through (e) shall include such entity if the written contract referred to in subsection (d) is with such entity.

''(g) DETERMINATIONS BY THE SECRETARY.—For purposes of this title—

''(1) IN GENERAL.—

''(A) DETERMINATIONS WITH RESPECT TO A SERVICE RECIPIENT OR A PAYOR.—A determination by the Secretary that a service recipient or a payor should have treated a service provider as an employee shall be effective no earlier than the notice date if—

''(i) the service recipient or the payor entered into a written contract satisfying the requirements of subsection (d),

''(ii) the service recipient or the payor satisfied the applicable reporting requirements of section 6041(a) or 6041A(a) for all taxable years covered by the contract described in clause (i), and

''(iii) the service recipient or the payor demonstrates a reasonable basis for determining that the service provider is not an employee and that such determination was made in good faith.

''(B) DETERMINATIONS WITH RESPECT TO A SERVICE PROVIDER.—A determination by the Secretary that a service provider should have been treated as an employee shall be effective no earlier than the notice date if—

''(i) the service provider entered into a contract satisfying the requirements of subsection (d),

''(ii) the service provider satisfied the applicable reporting requirements of sections 6012(a) and 6017 for all taxable years covered by the contract described in clause (i), and

''(iii) the service provider demonstrates a reasonable basis for determining that the service provider is not an employee and that such determination was made in good faith.

''(C) REASONABLE CAUSE EXCEPTION.—The requirements of subparagraph (A)(ii) or (B)(ii) shall be treated as being met if the failure to satisfy the applicable reporting requirements is due to reasonable cause and not willful neglect.

''(2) CONSTRUCTION.—Nothing in this subsection shall be construed as limiting any provision of law that provides an opportunity for administrative or judicial review of a determination by the Secretary.

''(3) NOTICE DATE.—For purposes of this subsection, the notice date is the 30th day after the earlier of—

''(A) the date on which the first letter of proposed deficiency that allows the service provider, the service recipient, or the payor an opportunity for administrative review in the Internal Revenue Service Office of Appeals is sent, or

''(B) the date on which the deficiency notice under section 6212 is sent.

''(h) DEFINITIONS.—For the purposes of this section—

''(1) SERVICE PROVIDER.—The term 'service provider' means any individual who performs a service for another person.

''(2) SERVICE RECIPIENT.—Except as provided in paragraph (4), the term 'service recipient' means the person for whom the service provider performs such service.

''(3) PAYOR.—Except as provided in paragraph (4), the term 'payor' means the person who pays the service provider for the performance of such service in the event that the service recipient does not pay the service provider.

''(4) EXCEPTIONS.—The terms 'service recipient' and 'payor' do not include any entity in which the service provider owns in excess of 5 percent of—

''(A) in the case of a corporation, the total combined voting power of stock in the corporation, or

''(B) in the case of an entity other than a corporation, the profits or beneficial interests in the entity.

''(5) IN CONNECTION WITH PERFORMING THE SERVICE.—The term 'in connection with performing the service' means in connection or related to the operation of the service provider's trade or business.

''(6) PRINCIPAL PLACE OF BUSINESS.—For purposes of subsection (c), the term 'principal place of business' has the same meaning as under section 280A(c)(1).

''(7) FAIR MARKET RENT.—The term 'fair market rent' means a periodic, fixed minimum rental fee which is based on the fair rental value of the facilities and is established pursuant to a written contract with terms similar to those offered to unrelated persons for facilities of similar type and quality.''.

(b) REPEAL OF SECTION 530(d) OF THE REVENUE ACT OF 1978.—Section 530(d) of the Revenue Act of 1978 (as added by section 1706 of the Tax Reform Act of 1986) is repealed.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 25 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 3511. Safe harbor for determining that certain individuals are not employees.''

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to services performed after the date of the enactment of this Act.

(2) DETERMINATIONS BY THE SECRETARY.—Section 3511(g) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall apply to determinations after the date of the enactment of this Act.

(3) SECTION 530(d).—The amendment made by subsection (b) shall apply to periods ending after the date of the enactment of this Act.

INDEPENDENT CONTRACTOR DETERMINATION ACT OF 2001—DESCRIPTION OF PROVISIONS

The bill addresses the worker-classification issue (e.g., whether a worker is an employee or an independent contractor) by creating a new section 3511 of the Internal Revenue Code. The new section will provide straightforward rules for classifying workers and provide relief from the Internal Revenue Service's (IRS) reclassification of an independent contractor in certain circumstances. The bill is designed to provide certainty for businesses that enter into independent-contractor relationships and minimize the risk of huge tax bills for back taxes interest, and penalties if a worker is misclassified after the parties have entered into an independent-contractor relationship in good faith.

Clear Rules for Worker Classification: Under the bill's new worker-classification rules, an individual will be treated as an independent contractor and the service recipient will not be treated as an employer if either of two tests is met—the ''general test'' or the ''incorporation test.''

General Test: The general test requires that the independent contractor demonstrate economic independence and workplace independence in addition to a written contract with the service recipient.

Economic independence exists if the independent contractor has the ability to realize a profit or loss and agrees to perform services for a particular amount of time or to complete a specific result or task. In addition, the independent contractor must either have a significant investment in the assets of his or her business or incur unreimbursed expenses that are consistent with industry practice and that equal at least 2% of the independent contractor's gross income from the performance of services during the taxable year.

Workplace independence exists if one of the following applies: The independent contractor has a principal place of business (including a ''home office'' as expanded by the Taxpayer Relief Act of 1997); he or she performs services at more than one service recipients facilities; he or she pays a fair-market rent for the use of the service recipient's facilities; or the independent contractor uses his or her own equipment.

The written contract between the independent contractor and the service recipient must provide that the independent contractor will not be treated as an employee and is responsible for his or her own taxes.

Incorporation Test: Under this test, an individual will be treated as an independent contractor if he or she conducts business through a corporation or a limited-liability company. In addition, the independent contractor must be responsible for his or her own benefits, instead of receiving benefits from the service recipient. The independent contractor must also have a written contract with the service provider stating that the independent contractor will not be treated as an employee and is responsible for his or her own taxes.

To prevent the incorporation test from being abused, the bill limits the number of former employees that a service recipient may engage as independent contractors under this test. The limitation is based on the number of people employed by the service recipient in the preceding year and is equal to the greater of 10 persons or 3% of the service recipient's employees in the preceding year. For example, Business X has 500 employees in 2000. In 2001 up to 15 employees (the greater of 3% of Business X's 500 employees in 2000 or 10 individuals) could incorporate their own businesses and still have Business X as one of their initial clients.

This limitation would not affect the number of incorporated independent contractors who were not former employees of the service recipient or independent contractors meeting the general test.

Additional Provisions: The new worker-classification rules also apply to three-party situations in which the independent contractor is paid by a third party, such as a payroll company, rather than directly by the service recipient. The new worker-classification rules, however, will not apply to a service recipient or a third-party payor if they do not comply with the existing reporting requirements and file 1099s for individuals who work as independent contractors. A limited exception is provided for cases in which the failure to file a 1099 is due to reasonable cause and not willful neglect.

New Worker-Classification Rules Do Not Replace Other Options: In the event that the new worker-classification rules do not apply, the bill makes clear that the independent contractor or service recipient can still rely on the 20-factor common law test or other provisions of the Internal Revenue Code applicable in determining whether an individual is an independent contractor or employee. In addition, the bill does not limit any relief to which a taxpayer may be entitled under Section 530 of the Revenue Act of 1978. The bill also makes clear that the new rules will not be construed as a prerequisite for these other provisions of the law.

Relief From Reclassification: The bill provides relief from reclassification by the IRS of an independent contractor as an employee. For many service recipients who make a good-faith effort to classify the worker correctly, this event can result in extensive liability for back employment taxes, interest, and penalties.

Relief Under the New Worker-Classification Rules: The bill provides relief for cases in which a worker is treated as an independent contractor under the new worker-classification rules and the IRS later contends that the new rules do not apply. In that case, the burden of proof will fall on the IRS, rather than the taxpayer, to prove that the new worker-classification rules do not apply. To qualify for this relief the taxpayer must demonstrate a credible argument that it was reasonable to treat the service provider as an independent contractor under the new rules, and the taxpayer must fully cooperate with reasonable requests from the IRS.

Protection Against Retroactive Reclassification: If the IRS notifies a service recipient that an independent contractor should have been classified as an employee (under the new or old rules), the bill provides that the IRS' determination can become effective only 30 days after the date that the IRS sends the notification. To qualify for this provision, the service recipient must show that:

There was a written agreement between the parties;

The service recipient satisfied the applicable reporting requirements for all taxable years covered by the contract; and

There was a reasonable basis for determining that the independent contractor was not an employee and the service provider made the determination in good faith.

The bill provides similar protection for independent contractors who are notified by the IRS that they should have been treated as an employee.

The protection against retroactive reclassification is intended to remove some of the uncertainty for businesses contracting with independent contractors, especially those who must use the IRS' 20-factor common law test. While the bill would prevent the IRS from forcing a service recipient to treat an independent contractor as an employee for past years, the bill makes clear that a service recipient or an independent contractor can still challenge the IRS' prospective reclassification of an independent contractor through administrative or judicial proceedings.

Repeal of Section 1706 of the Revenue Act of 1978: The bill repeals section 530(d) of the Revenue Act of 1978, which was added by section 1706 of the Tax Reform Act of 1986. This provision precludes businesses that engage technical service providers (e.g., engineers, designers, drafters, computer programmers, systems analysts, and other similarly qualified individuals) in certain cases from applying the reclassification protections under section 530. The bill is designed to level the playing field for individuals in these professions by providing the businesses that engage them with the same protections that businesses using other types of independent contractors have enjoyed for more than 20 years.

Effective Dates: In general, the independent-contractor provisions of the bill, including the new worker-classification rules, will be effective for services performed after the date of enactment of the bill. The protection against retroactive reclassification will be effective for IRS determinations after the date of enactment, and the repeal of section 530(d) will be effective for periods ending after the date of enactment of the bill.

By Mr. DODD (for himself and Mr. DEWINE):

S. 838. A bill to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, I rise today to join my colleague, Senator DEWINE in introducing the Best Pharmaceuticals for Children Act. I hope that this will be the continuation of our long-term efforts to improve the health of America's children.

According to the American Academy of Pediatrics, only 20 percent of the drugs on the market have been tested and labeled specifically for their safety and effectiveness in children. Children are simply not smaller version of adults, their bodies actually react to drugs differently. The absence of pediatric labeling poses significant risks for children, without adequate information about how a drug works in children of different ages and sizes, children are more likely to be under- or over-dosed or to experience dangerous side effects.

We have labels on the food children eat, on the shows they watch and the music they listen to. Why should we have less information when it comes to the medicine they take? And while ''off-labeling prescribing'' is neither illegal nor improper, forcing our children to use medications without adequate safety information, is a lot like playing Russian roulette with their health.

That's why four years ago, Senator DEWINE and I introduced legislation to take the guess work out of children's medicine. This legislation, the Better Pharmaceuticals for Children Act, provided a market incentive for drug companies to test their products for use in children or to create kid-friendly drug formulations. And, just a few years later, we've made extraordinary strides in closing the dangerous gap in knowledge.

In the 3 years since the initiative was launched, over 300 pediatric drug studies have gotten underway, compared to the 11 studies conducted in the 6 years prior to the legislation. New pediatric information has been or will soon be added to the labels of 28 products, including drugs for AIDS, diabetes, mental health, and asthma. Not only has the initiative led to significant advances in pediatric medicines, in the long run it will also save the nation money by reducing hospital stays, doctors' visits and parents' taking time off of work.

But while tremendous progress has been made, we still have a long way to go to make sure that children aren't an afterthought when it comes to pharmaceutical research. Hundreds of drugs are on the market today that are used in children, but still have not been tested for pediatric needs. Yet, unless reauthorized, the pediatric testing incentive, and the explosion of research it has prompted, will expire on January 1, 2002.

In addition to ensuring that critical pediatric drug studies continue, the Best Pharmaceuticals for Children Act will also ensure that the new safety information from pediatric studies is promptly added to drug labels, require drug manufacturers to pay user fees to participate in the program, and require the Food and Drug Administration to quickly disseminate information gathered from pediatric studies to pediatricians and parents. It will also fund studies of older, ''off-patent'' drugs which are not eligible for the existing pediatric testing incentive, and create a new Office of Pediatric Therapeutics at the Food and Drug Administration to coordinate activities related to children.

The bill is endorsed by the American Academy of Pediatrics, the Elizabeth Glaser Pediatric AIDS Foundation, the National Association of Children's Hospitals, the American Society for Clinical Pharmacology and Therapeutics, and the Allergy and Asthma Network Mother of Asthmatics.

I call on my colleagues to move quickly to enact the Best Pharmaceuticals for Children Act, commonsense legislation that will ensure that our children received only the very best of what medicine has to offer.

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. 838

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 ''Best Pharmaceuticals for Children Act''.

SEC. 2. PEDIATRIC STUDIES OF ALREADY-MARKETED DRUGS.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended—

(1) by striking subsection (b); and

(2) in subsection (c)—

(A) by inserting after ''the Secretary'' the following: ''determines that information relating to the use of an approved drug in the pediatric population may produce health benefits in that population and''; and

(B) by striking ''concerning a drug identified in the list described in subsection (b)''.

SEC. 3. RESEARCH FUND FOR THE STUDY OF OFF-PATENT DRUGS.

Part B of title IV of the Public Health Service Act (42 U.S.C. 284 et seq.) is amended—

(1) by redesignating the second section 409C, relating to clinical research (42 U.S.C. 284k), as section 409G;

(2) by redesignating the second section 409D, relating to enhancement awards (42 U.S.C. 284l), as section 409H; and

(3) by adding at the end the following:

''SEC. 409I. PROGRAM FOR PEDIATRIC STUDIES OF OFF-PATENT DRUGS.

''(a) LIST OF OFF-PATENT DRUGS FOR WHICH PEDIATRIC STUDIES ARE NEEDED.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary, acting through the Director of the National Institutes of Health and in consultation with the Commissioner of Food and Drugs and experts in pediatric research (including United States Pharmacopoeia), shall develop, prioritize, and publish a list of approved drugs for which—

''(A) there is no patent or market exclusivity protection; and

''(B) additional studies are needed to assess the safety and effectiveness of the use of the drug in the pediatric population.

''(2) CONSIDERATION OF AVAILABLE INFORMATION.—In developing the list under paragraph (1), the Secretary shall consider, for each drug on the list—

''(A) the availability of information concerning the safe and effective use of the drug in the pediatric population;

''(B) whether additional information is needed; and

''(C) whether new pediatric studies concerning the drug may produce health benefits in the pediatric population.

''(b) CONTRACTS FOR PEDIATRIC STUDIES.—The Secretary shall award contracts to entities that have the expertise to conduct pediatric clinical trials (including qualified universities, hospitals, laboratories, contract research organizations, federally funded programs such as pediatric pharmacology research units, other public or private institutions, or individuals) to enable the entities to conduct pediatric studies concerning one or more drugs identified in the list described in subsection (a).

''(c) PROCESS FOR CONTRACTS AND LABELING CHANGES.—

''(1) WRITTEN REQUEST TO HOLDERS OF APPROVED APPLICATIONS FOR OFF-PATENT DRUGS.—

''(A) IN GENERAL.—The Commissioner of Food and Drugs, in consultation with the Director of National Institutes of Health, may issue a written request for pediatric studies concerning a drug identified in the list described in subsection (a) to all holders of an approved application for the drug under section 505 of the Federal Food, Drug, and Cosmetic Act. Such a request shall be made in accordance with section 505A of the Federal Food, Drug, and Cosmetic Act.

''(B) PUBLICATION OF REQUEST.—If the Commissioner of Food and Drugs does not receive a response to a written request issued under subparagraph (A) within 30 days of the date on which a request was issued, the Secretary, acting through the Director of National Institutes of Health, shall publish a request for contract proposals to conduct the pediatric studies described in the written request.

''(2) CONTRACTS.—A contract under this section may be awarded only if a proposal for the contract is submitted to the Secretary in such form and manner, and containing such agreements, assurances, and information as the Secretary determines to be necessary to carry out this section.

''(3) REPORTING OF STUDIES.—

''(A) Upon completion of a pediatric study in accordance with a contract awarded under this section, a report concerning the study shall be submitted to the Director of National Institutes of Health and the Commissioner of Food and Drugs. The report shall include all data generated in connection with the study.

''(B) AVAILABILITY OF REPORTS.—Each report submitted under subparagraph (A) shall be considered to be in the public domain, and shall be assigned a docket number by the Commissioner of Food and Drugs. An interested person may submit written comments concerning such pediatric studies to the Commissioner of Food and Drugs, and the written comments shall become part of the docket file with respect to each the drug.

''(C) ACTION BY COMMISSIONER.—The Commissioner of Food and Drugs shall take appropriate action in response to the reports submitted under subparagraph (A) in accordance with paragraph (4).

''(4) REQUEST FOR LABELING CHANGES.—During the 180-day period after the date on which a report is submitted under paragraph (3)(A), the Commissioner of Food and Drugs shall—

''(A) review the report and such other data as are available concerning the safe and effective use in the pediatric population of the drug studied; and

''(B) negotiate with the holders of approved applications for the drug studied for any labeling changes that the Commissioner of Food and Drugs determines to be appropriate and requests the holders to make; and

''(C)(i) place in the public docket file a copy of the report and of any requested labeling changes; and

''(ii) publish in the Federal Register a summary of the report and a copy of any requested labeling changes.

''(5) DISPUTE RESOLUTION.—If, not later than the end of the 180-day period specified in paragraph (4), the holder of an approved application for the drug involved does not agree to any labeling change requested by the Commissioner of Food and Drugs under that paragraph—

''(A) the Commissioner of Food and Drugs shall immediately refer the request to the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee; and

''(B) not later than 60 days after receiving the referral, the Subcommittee shall—

''(i) review the available information on the safe and effective use of the drug in the pediatric population, including study reports submitted under this section; and

''(ii) make a recommendation to the Commissioner of Food and Drugs as to appropriate labeling changes, if any.

''(6) FDA DETERMINATION.—Not later than 30 days after receiving a recommendation from the Subcommittee under paragraph (5)B(ii) with respect to a drug, the Commissioner of Food and Drugs shall consider the recommendation and, if appropriate, make a request to the holders of approved applications for the drug to make any labeling change that the Commissioner of Food and Drugs determines to be appropriate.

''(7) FAILURE TO AGREE.—If a holder of an approved application for a drug, within 30 days after receiving a request to make a labeling change under paragraph (6), does not agree to make a requested labeling change, the Commissioner may deem the drug to be misbranded under the Federal Food, Drug, and Cosmetic Act.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section—

''(A) $200,000,000 for fiscal year 2002; and

''(B) such sums as are necessary for each of the 5 succeeding fiscal years.

''(2) AVAILABILITY.—Any amount appropriated under paragraph (1) shall remain available to carry out this section until expended.''.

SEC. 4. TIMELY LABELING CHANGES FOR DRUGS GRANTED EXCLUSIVITY; DRUG FEES.

(a) ELIMINATION OF USER FEE WAIVER FOR PEDIATRIC SUPPLEMENTS.—Section 736(a)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 379h(A)(1)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraph (G) as subparagraph (F).

(b) LABELING CHANGES.—Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by adding at the end the following:

''(l) LABELING SUPPLEMENTS.—

''(1) PRIORITY STATUS FOR PEDIATRIC SUPPLEMENTS.—Any supplement to a human drug application submitted under this section—

''(A) shall be considered to be a priority supplement; and

''(B) shall be subject to the performance goals established by the Commissioner for priority drugs.

''(2) DISPUTE RESOLUTION.—If the Commissioner determines that a supplemental application submitted under this section is approvable and that the only open issue for final action on the supplement is the reaching of an agreement between the sponsor of the application and the Commissioner on appropriate changes to the labeling for the drug that is the subject of the application—

''(A) not later than 180 days after the date of submission of the supplemental application—

''(i) the Commissioner shall request that the sponsor of the application make any labeling change that the Commissioner determines to be appropriate; and

''(ii) if the sponsor of the application does not agree to make a labeling change requested by the Commissioner by that date, the Commissioner shall immediately refer the matter to the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee;

''(B) not later than 60 days after receiving the referral, the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee shall—

''(i) review the pediatric study reports; and

''(ii) make a recommendation to the Commissioner concerning appropriate labeling changes, if any;

''(C) the Commissioner shall consider the recommendations of the Pediatric Advisory Subcommittee of the Anti-Infective Drugs Advisory Committee and, if appropriate, not later than 30 days after receiving the recommendation, make a request to the sponsor of the application to make any labeling change that the Commissioner determines to be appropriate; and

''(D) if the sponsor of the application, within 30 days after receiving a request under subparagraph (D), does not agree to make a labeling change requested by the Commissioner, the Commissioner may deem the drug that is the subject of the application to be misbranded.''.

SEC. 5. OFFICE OF PEDIATRIC THERAPEUTICS.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall establish an Office of Pediatric Therapeutics within the Office of the Commissioner of Food and Drugs.

(b) DUTIES.—The Office of Pediatric Therapeutics shall be responsible for oversight and coordination of all activities of the Food and Drug Administration that may have any effect on a pediatric population or the practice of pediatrics or may in any other way involve pediatric issues.

(c) STAFF.—The staff of the Office of Pediatric Therapeutics shall include—

(1) 1 or more individuals with expertise concerning ethical issues presented by the conduct of clinical research in the pediatric population; and

(2) 1 or more individuals with expertise in pediatrics who shall consult with all components of the Food and Drug Administration concerning activities described in subsection (b).

SEC. 6. NEONATES.

Section 505A(g) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a(g)) is amended by inserting ''(including neonates in appropriate cases)'' after ''pediatric age groups''.

SEC. 7. SUNSET.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) is amended by striking subsection (j) and inserting the following:

''(j) SUNSET.—A drug may not receive any 6-month period under subsection (a) or (c) unless—

''(1) on or before October 1, 2007, the Secretary makes a written request for pediatric studies of the drug;

''(2) on or before October 1, 2007, an application for the drug is submitted under section 505(b)(1); and

''(3) all requirements of this section are met.''.

SEC. 8. DISSEMINATION OF PEDIATRIC INFORMATION.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C 355a) (as amended by section 4(b)) is amended by adding at the end the following:

''(m) DISSEMINATION OF PEDIATRIC INFORMATION.—

''(1) IN GENERAL.—Not later than 180 days after the date of submission of a supplemental application under this section, the Commissioner shall make available to the public a summary of the medical and clinical pharmacology reviews of pediatric studies conducted for the supplement, including by publication in the Federal Register.

''(2) EFFECT OF SUBSECTION.—Nothing in this subsection alters or amends in any way section 552 of title 5 or section 1905 of title 18, United States Code.''.

SEC. 9. TECHNICAL AND CONFORMING AMENDMENTS.

Section 505A of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355a) (as amended by sections 2(1), 4(b), 7, and 8) is amended—

(1) by redesignating subsections (a), (g), (h), (i), (j), (l), and (m) as subsections (b), (a), (g), (h), (l), (i), and (j), respectively;

(2) by moving the subsections so as to appear in alphabetical order; and

(3) in paragraphs (1), (2), and (3) of subsection (d) and subsections (e), (g) (as redesignated by paragraph (1)), and (l) (as redesignated by paragraph (1)), by striking ''subsection (a) or (c)'' and inserting ''subsection (b) or (c)''.

Mr. DEWINE. Mr. President, I rise today to join my friend and colleague from Connecticut, Senator DODD, to introduce a bill that builds on a previous law that he and I wrote four years ago, called the ''Better Pharmaceuticals for Children Act.'' The bill we are introducing today the ''Best Pharmaceuticals for Children Act'', re-authorizes our 1997 law and makes additional improvements.

I'd like to thank Senator DODD for his tireless dedication to this effort and to other vital children's health initiatives. We have worked together on many bipartisan efforts that protect children, and I commend him for his commitment to ensuring that all children are safe and healthy. I also would like to recognize the efforts of Elaine Vining with the American Academy of Pediatrics and Mark Isaac with the Elizabeth Glaser Pediatric AIDS Foundation, who have devoted countless hours to providing us with technical assistance and ideas for how to improve our already successful pediatric studies law.

Under our law, the FDA has granted market exclusivity extensions for 28 products, of which 18 include new labeling. Let me tell you what this means for me as a parent: We now have dosage, safety and adverse event information that we did not previously have to help us provide our children the correct dose of these medicines and to avoid potential adverse effects. The more information doctors and parents have on dosing, toxicity, adverse effects, and adverse drug interactions—the more informed our decisions will be when giving medicines to children and ultimately, the more we will be protecting our kids.

Creating the proper formulation, such as a liquid form, of a drug is also essential. I know that my children all went through a stage in which a pill form was problematic for them to swallow or the taste of the medicine was unacceptable. Having a child spit out a tablet or having to crush a tablet in order to give half of the recommended adult dose are compliance issues that we, as parents, have all experienced.

When Senator DODD and I set out in 1997 to change the fact that only 20 percent of all prescription drugs marketed in this country were labeled for pediatric use, we heard many proposals on how to fix the problem, from giving tax incentives for research to offering this market exclusivity extension. Since children only account for 30 percent of the population and less than 12 percent of personal health care spending, they were not getting the kind of pediatric-focused research that they deserve.

Because of the help and support of many of my colleagues like Senators FRIST, KENNEDY, JEFFORDS, BOND, MIKULSKI, HUTCHINSON, COLLINS, and many others who helped us pass this landmark law, we have begun to turn the tide in favor of children. In considering any proposals to change the current law, however, we must not lose sight of the fact that the goal of this law is to encourage pediatric studies of new and already marketed drugs that are currently used in children, but are not labeled for such use. Anything that hinders the ability of the FDA to implement this law will impede future progress in pediatric research and ultimately defeat the purposes of this law.

FDA and others, including the American Academy of Pediatrics and the Elizabeth Glaser Pediatric AIDS Foundation, have offered many helpful suggestions on how we can improve the current law. The most significant improvement I would like to stress is something our original law was never intended to address—the issue of how to get off-patent drugs tested for use in children. The market exclusivity extension only works as a pediatric testing incentive if a company has an existing patent to which we can attach an additional six months of market exclusivity. Once the patent expires, however, there is no way to prevent competition from entering the market for that drug.

So, in the new bill that Senator DODD and I are introducing today—the ''Best Pharmaceuticals for Children Act'', we propose creating a ''Research Fund.'' This Fund would require the Secretary of HHS to award contracts for entities with expertise in conducting pediatric clinical trials (such as PPRU's, hospitals, universities) to conduct pediatric studies of certain drugs that are off-patent. The list of these off-patent drugs would be developed according to criteria—such as whether new studies might produce health benefits for children, and then prioritized and published by the Secretary, acting through the NIH Director and in consultation with the FDA Commissioner and experts in pediatric research. Written requests would be issued by the FDA Commissioner.

The significance of this Research Fund is that off-patent drugs, like Ritalin, would be tested for pediatric use. Currently, many drugs are being prescribed off-label, based on limited, if any, pediatric studies and/or on the personal experiences of health professionals. Ritalin, for example, includes the following precaution and warning:

> Precaution: Long-term effects of Ritalin in children have not been well established. Warning: Ritalin should not be used in children under six years, since safety and [effectiveness] in this age group has not been established.

The point is that Ritalin is being prescribed off-label for children under six, and yet we don't know the safety and long-term effects on children. This Research Fund would establish the means by which testing on this and other off-patent drugs could be performed.

Our new bill makes other improvements to current law including: expediting the dissemination of information generated by pediatric studies to the public; expediting labeling changes; acknowledging the need to study the neonate, zero to one month in age, population if appropriate and at the appropriate point in pediatric studies; applying prescription drug user fees to pediatric studies to give FDA the resources

it needs to conduct timely reviews of studies and labeling changes; and establishing an Office of Pediatric Therapeutics within FDA to coordinate activities among review divisions and provide oversight for all pediatric activities undertaken by FDA.

Finally, I would like to address a concern that has been expressed by many in the press, and rightfully so. No one can ignore the risk involved in having children participate in clinical trials. Parents with sick children, sadly, have to weigh these risks and make treatment decisions. I want to commend Senator DODD for his foresight in this area of providing research protections for children involved in clinical trials. With the increase in pediatric research through this law and other laws, we needed to ensure that research protections exist and are strengthened, if necessary.

That is why last year, in the ''Children's Health Act,'' Senator DODD and I proposed language that would ensure that federally funded, conducted, and regulated research adheres to scientific and ethical review standards. There is currently a review of these federal protections for children involved in clinical trials to further ensure that the highest standards of scientific and ethical review are in place. The alternative to clinical trials is uncontrolled, unregulated, and unreported studies of smaller groups of children. Pediatric experts agree that controlled clinical trials are the much-preferred alternative.

We must make the health of our children a priority. Through our new bill we are doing that. We are furthering the success of current law by providing parents and doctors with more information to make better informed decisions when medicating children. Our children deserve no less.

I urge my colleagues to support this important measure.

By Mrs. HUTCHISON (for herself, Mr. BAYH, Mr. HUTCHINSON, Mr. BURNS, Mr. KERRY, Mr. CHAFEE, Mr. KENNEDY, Mr. HELMS, Mrs. CLINTON, Mr. SCHUMER, and Mr. BIDEN):

S. 839. A bill to amend title XVIII of the Social Security Act to increase the amount of payment for inpatient hospital services under the medicare program and to freeze the reduction in payments to hospitals for indirect costs of medical education; to the Committee on Finance.

Mrs. HUTCHISON. Mr. President, I rise today to introduce, along with Senators BAYH, HUTCHINSON, and several other distinguished colleagues, the American Hospital Preservation Act.

Our hospitals are the very foundation of our health care system, a system that is considered the best in the world. To ensure this quality of care remains at this high level, we cannot ask yet more cuts of our financially troubled hospitals.

Two such cuts currently being faced by our nation's hospitals are a reduction in the annual inflation update hospitals receive for their Medicare payments, and a reduction in the Medicare adjustment teaching hospitals receive to support their medical education programs. Both of these issues are critical to the long-term stability of hospitals, and to maintaining the scope and quality of the care they provide.

We do have the best health care in the world. Why should we put it at risk? Especially when the savings we have achieved already are far in excess of what was originally estimated. In other words, the cuts that were enacted have more than achieved their goals. There is no more fat left to trim.

Last year, through enactment of the Medicare, Medicaid and SCHIP Benefit Improvement and Protection Act, BIPA, we were successful in getting approximately half of the annual market basket update restored for our hospitals. In addition, we delayed further reductions in the indirect medical education, IME, adjustment for teaching hospitals. This legislation would build upon that success, and would help to ensure hospitals' long-term financial stability. In effect, it would preserve the ability of American hospitals to continue to provide the highest level of health care to be found anywhere in the world.

With respect to the IME provisions of this bill, all of the evidence points to the fact that the financial health of major teaching hospitals continues to deteriorate. In fact, with projections that Medicare margins could drop to negative 3.8 percent by 2005, it is becoming an increasingly common phenomenon that when a Medicare patient walks in to a hospital, he or she represents a money loser for that institution. While our hospitals must remain committed to providing care no matter the patients' circumstance, that sort of monetary shortfall will logically result in many hospitals closing down. Or, as we have seen happen many times recently, many hospitals will dramatically scale back their outpatient and other services for those in need.

Particularly in the rural areas of our nation, having a hospital close down would mean losing access to life-saving medical services. It would also have a dramatic effect on the community's economy. Hospitals are often the core components of the local community. To have the hospital close down would mean the loss of jobs and of businesses. It would have a ripple effect on the neighborhood, destroying its sense of stability and community.

This legislation addresses the unique situation of teaching hospitals. These hospitals, which are centers of experimental, innovative and technically sophisticated services as well as routine care and services, tend to incur much higher costs. We must recognize the higher costs these teaching hospitals incur to provide adequate learning experiences and faculty support to medical students. To do this, we must increase the indirect medical education adjustment one percentage point to 6.4 percent for FY 2003 and the future.

In addition, this legislation will reverse cuts previously enacted by Congress regarding the annual market basket updates. These cuts are unnecessary and harmful. For a hospital to effectively compete for skilled workers, especially in these days of tight labor markets, it is critical to have an adequate overall revenue stream. Medicare's measure of inflation, the market basket update, plays a key role in determining the adequacy of these payments from year to year.

As hospital costs increase rapidly in every area from labor to pharmaceuticals to blood and blood products to the costs of compliance with new regulations, the market basket update must keep pace. This legislation eliminates the update reductions mandated earlier.

It is critical that we not neglect our health care system and that we continue to invest in the very foundation of that system, our hospitals. I look forward to working with my colleagues on both sides of the aisle to ensure that this bill meets that objective yet still fits within our overall budgetary constraints.

This legislation represents our obligation to not only our most vulnerable citizens, but also to all Americans. Our hospitals provide the highest level and quality of care in the world. This bill ensures that they will be able to continue to do so, and I urge my colleagues to cosponsor and support it.

AMENDMENTS SUBMITTED AND PROPOSED

SA 378. Mr. KENNEDY (for Mrs. MURRAY) proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

SA 379. Mr. KENNEDY (for Ms. MIKULSKI (for himself and Mr. KENNEDY)) proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) supra.

SA 380. Mr. ALLEN (for himself and Mr. WARNER) proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) supra.

SA 381. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1, supra; which was ordered to lie on the table.

SA 382. Mr. DODD proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) supra.

TEXT OF AMENDMENTS

SA 378. Mr. KENNEDY (for Mrs. MURRAY) proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

On page 383, after line 21, add the following:

SEC. 203. CLASS SIZE REDUCTION.

Title II of the Elementary and Secondary Education Act of 1965, as amended by sections 201 and 202, is further amended by adding at the end the following:

"PART E—CLASS SIZE REDUCTION

"SEC. 2501. GRANT PROGRAM.

''(a) PURPOSE.—The purposes of this section are—

''(1) to reduce class size through the use of highly qualified teachers;

''(2) to assist States and local educational agencies in recruiting, hiring, and training 100,000 teachers in order to reduce class sizes nationally, in the early grades, to an average of 18 students per regular classroom; and

''(3) to improve teaching in those grades so that all students can learn to read independently and well by the end of the 3rd grade.

''(b) ALLOTMENT TO STATES.—

''(1) RESERVATION.—From the amount made available to carry out this part for a fiscal year, the Secretary shall reserve not more than 1 percent for the Secretary of the Interior (on behalf of the Bureau of Indian Affairs) and the outlying areas for activities carried out in accordance with this section.

''(2) STATE ALLOTMENTS.—

''(A) HOLD HARMLESS.—

''(i) IN GENERAL.—Subject to subparagraph (B) and clause (ii), from the amount made available to carry out this part for a fiscal year and not reserved under paragraph (1), the Secretary shall allot to each State an amount equal to the amount that such State received for the preceding fiscal year under this section or section 306 of the Department of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106–554), as the case may be.

''(ii) RATABLE REDUCTION.—If the amount made available to carry out this part for a fiscal year and not reserved under paragraph (1) is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for such fiscal year, the Secretary shall ratably reduce such amounts for such fiscal year.

''(B) ALLOTMENT OF ADDITIONAL FUNDS.—

''(i) IN GENERAL.—Subject to clause (ii), for any fiscal year for which the amount made available to carry out this part and not reserved under paragraph (1) exceeds the amount made available to the States for the preceding year under the authorities described in subparagraph (A)(i), the Secretary shall allot to each of those States the percentage of the excess amount that is the greater of—

''(I) the percentage the State received for the preceding fiscal year of the total amount made available to the States under section 1122; or

''(II) the percentage so received of the total amount made available to the States under section 2202(b), as in effect on the day before the date of enactment of the Better Education for Students and Teachers Act, or the corresponding provision of this title, as the case may be.

''(ii) RATABLE REDUCTIONS.—If the excess amount for a fiscal year is insufficient to pay the full amounts that all States are eligible to receive under clause (i) for such fiscal year, the Secretary shall ratably reduce such amounts for such fiscal year.

''(c) ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.—

''(1) ALLOCATION.—Each State that receives funds under this section shall allocate a portion equal to not less than 99 percent of those funds to local educational agencies, of which—

''(A) 80 percent of the portion shall be allocated to those local educational agencies in proportion to the number of children, age 5 through 17, from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act) applicable to a family of the size involved, who reside in the school district served by that local educational agency for the most recent fiscal year for which satisfactory data are available, compared to the number of those children who reside in the school districts served by all the local educational agencies in the State for that fiscal year; and

''(B) 20 percent of the portion shall be allocated to those local educational agencies in accordance with the relative enrollments of children, age 5 through 17, in public and private nonprofit elementary schools and secondary schools within the areas served by those agencies.

''(2) EXCEPTION.—Notwithstanding paragraph (1) and subsection (d)(2)(B), if the award to a local educational agency under this section is less than the starting salary for a new highly qualified teacher for a school served by that agency who is certified or licensed within the State, has a baccalaureate degree, and demonstrates the general knowledge, teaching skills, and subject matter knowledge required to teach in the content areas in which the teacher teaches, that agency may use funds made available under this section to—

''(A) help pay the salary of a full- or part-time teacher hired to reduce class size, which may be done in combination with the expenditure of other Federal, State, or local funds; or

''(B) pay for activities described in subsection (d)(2)(A)(iii) that may be related to teaching in smaller classes.

''(3) STATE ADMINISTRATIVE EXPENSES.—The State educational agency for a State that receives funds under this section may use not more than 1 percent of the funds for State administrative expenses.

''(d) USE OF FUNDS.—

''(1) MANDATORY USES.—Each local educational agency that receives funds under this section shall use those funds to carry out effective approaches to reducing class size through use of highly qualified teachers to improve educational achievement for both regular and special needs children, with particular consideration given to reducing class size in the early elementary grades for which some research has shown class size reduction is most effective.

''(2) PERMISSIBLE USES.—

''(A) IN GENERAL.—Each such local educational agency may use funds made available under this section for—

''(i) recruiting (including through the use of signing bonuses, and other financial incentives), hiring, and training highly qualified regular and special education teachers (which may include hiring special education teachers to team-teach with regular teachers in classrooms that contain both children with disabilities and non-disabled children) and teachers of special needs children, who are certified or licensed within the State, have a baccalaureate degree and demonstrate the general knowledge, teaching skills, and subject matter knowledge required to teach in the content areas in which the teachers teach;

''(ii) testing new teachers for academic content knowledge, and to meet State certification or licensing requirements that are consistent with this title; and

''(iii) providing professional development (which may include such activities as promoting retention and mentoring) for teachers, including special education teachers and teachers of special needs children, in order to meet the goal of ensuring that all teachers have the general knowledge, teaching skills, and subject matter knowledge necessary to teach effectively in the content areas in which the teachers teach, consistent with title II of the Higher Education Act of 1965.

''(B) LIMITATION ON TESTING AND PROFESSIONAL DEVELOPMENT.—

''(i) IN GENERAL.—Except as provided in clause (ii), a local educational agency may use not more than a total of 25 percent of the funds received by the agency under this section for activities described in clauses (ii) and (iii) of subparagraph (A).

''(ii) WAIVERS.—A local educational agency may apply to the State educational agency for a waiver that would permit the agency to use more than 25 percent of the funds the agency receives under this section for activities described in subparagraph (A)(iii) for the purpose of helping teachers who have not met applicable State and local certification or licensing requirements become certified or licensed if—

''(I) the agency is in an Ed-Flex Partnership State under the Education Flexibility Partnership Act of 1999; and

''(II) 10 percent or more of teachers in elementary schools served by the agency have not met the certification or licensing requirements, or the State educational agency has waived those requirements for 10 percent or more of the teachers.

''(iii) USE OF FUNDS UNDER WAIVER.—If the State educational agency approves the local educational agency's application for a waiver under clause (ii), the local educational agency may use the funds subject to the conditions of the waiver for activities described in subparagraph (A)(iii) that are needed to ensure that at least 90 percent of the teachers in the elementary schools are certified or licensed within the State.

''(C) USE OF FUNDS BY AGENCIES THAT HAVE REDUCED CLASS SIZE.—Notwithstanding subparagraph (B), a local educational agency that has already reduced class size in the early elementary grades to 18 or fewer children (or has already reduced class size to a State or local class size reduction goal that was in effect on November 28, 1999 if that goal is 20 or fewer children) may use funds received under this section—

''(i) to make further class size reductions in kindergarten through third grade;

''(ii) to reduce class size in other grades; or

''(iii) to carry out activities to improve teacher quality, including professional development.

''(3) SUPPLEMENT, NOT SUPPLANT.—Each such agency shall use funds made available under this section only to supplement, and not to supplant, State and local funds that, in the absence of funds made available under this section, would otherwise be expended for activities described in this section.

''(4) LIMITATION ON USE FOR SALARIES AND BENEFITS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no funds made available under this section may be used to increase the salaries of, or provide benefits (other than participation in professional development and enrichment programs) to, teachers who are not hired under this section.

''(B) EXCEPTION.—Funds made available under this section may be used to pay the salaries of teachers hired under—

''(i) section 307 of the Department of Education Appropriations Act, 1999;

''(ii) section 310 of the Department of Education Appropriations Act, 2000; or

''(iii) section 306 of the Department of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106–554).

''(e) REPORTS.—

''(1) STATE ACTIVITIES.—Each State receiving funds under this section shall prepare and submit to the Secretary a biennial report on activities carried out in the State under this section that provides data on the use of funds, the types of services furnished, and the students served under this part.

''(2) PROGRESS CONCERNING CLASS SIZE AND QUALIFIED TEACHERS.—Each State and local educational agency receiving funds under this section shall publicly report to parents on—

''(A) the agency's progress in reducing class size; and

''(B) the impact that hiring additional highly qualified teachers and reducing class size, has had, if any, on increasing student academic achievement.

''(3) PROFESSIONAL QUALIFICATIONS.—Each school receiving funds under this section shall provide to parents, on request, information about the professional qualifications of their child's teacher.

''(f) PRIVATE SCHOOLS.—If a local educational agency uses funds made available under this section for professional development activities, the agency shall ensure the equitable participation of private nonprofit elementary schools and secondary schools in such activities in accordance with section 5342. Section 5342 shall not apply to other activities carried out under this section.

''(g) LOCAL ADMINISTRATIVE EXPENSES.—A local educational agency that receives funds under this section may use not more than 3 percent of such funds for local administrative expenses.

''(h) REQUEST FOR FUNDS.—Each local educational agency that desires to receive funds under this section shall include in the application required under section 2122 a description of the agency's program to reduce class size by hiring additional highly qualified teachers.

''(i) CERTIFICATION, LICENSING, AND COMPETENCY.—No funds made available under this section may be used to pay the salary of any teacher hired with funds made available under—

''(1) section 307 of the Department of Education Appropriations Act, 1999;

''(2) section 310 of the Department of Education Appropriations Act, 2000; or

''(3) section 306 of the Department of Education Appropriations Act, 2001 (as enacted into law by section 1(a)(1) of Public Law 106–554),

unless, by the start of the 2002–2003 school year, the teacher is certified or licensed within the State and demonstrates competency in the content areas in which the teacher teaches.

''(j) DEFINITION.—In this section:

''(1) CERTIFIED.—The term 'certified' includes certification through State or local alternative routes.

''(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 2502. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this part $2,400,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.''.

SA 379. Mr. KENNEDY (for Ms. MIKULSKI (for herself and Mr. KENNEDY)) proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

On page 245, between lines 13 and 14, insert the following:

"Subpart 1—21st Century Community Learning Centers

On page 245, line 15, strike ''part'' and insert ''subpart''.

On page 245, line 18, strike ''part'' and insert ''subpart''.

On page 246, line 13, strike ''part'' and insert ''subpart''.

On page 249, line 11, strike ''part'' and insert ''subpart''.

On page 249, line 16, strike ''part'' and insert ''subpart''.

On page 249, line 18, strike ''part'' and insert ''subpart''.

On page 250, line 16, strike ''part'' and insert ''subpart''.

On page 250, line 23, strike ''part'' and insert ''subpart''.

On page 251, line 2, strike ''part'' and insert ''subpart''.

On page 251, line 22, strike ''part'' and insert ''subpart''.

On page 251, line 25, strike ''part'' and insert ''subpart''.

On page 252, line 13, strike ''part'' and insert ''subpart''.

On page 252, line 15, strike ''part'' and insert ''subpart''.

On page 252, line 20, strike ''part'' and insert ''subpart''.

On page 252, line 23, strike ''part'' and insert ''subpart''.

On page 254, line 2, strike ''part'' and insert ''subpart''.

On page 254, line 12, strike ''part'' and insert ''subpart''.

On page 254, line 15, strike ''part'' and insert ''subpart''.

On page 255, line 3, strike ''part'' and insert ''subpart''.

On page 256, line 24, strike ''part'' and insert ''subpart''.

On page 257, line 1, strike ''part'' and insert ''subpart''.

On page 257, line 12, strike ''part'' and insert ''subpart''.

On page 257, between lines 18 and 19, insert the following:

"Subpart 2—Community Technology Centers

"SEC. 1611. PURPOSE; PROGRAM AUTHORITY.

''(a) PURPOSE.—It is the purpose of this subpart to assist eligible applicants to—

''(1) create or expand community technology centers that will provide disadvantaged residents of economically distressed urban and rural communities with access to information technology and related training; and

''(2) provide technical assistance and support to community technology centers.

''(b) PROGRAM AUTHORITY.—

''(1) IN GENERAL.—The Secretary is authorized, through the Office of Educational Technology, to award grants, contracts, or cooperative agreements on a competitive basis to eligible applicants in order to assist such applicants in—

''(A) creating or expanding community technology centers; or

''(B) providing technical assistance and support to community technology centers.

''(2) PERIOD OF AWARD.—The Secretary may award grants, contracts, or cooperative agreements under this subpart for a period of not more than 3 years.

''(3) SERVICE OF AMERICORPS PARTICIPANTS.—The Secretary may collaborate with the Chief Executive Officer of the Corporation for National and Community Service on the use of participants in National Service programs carried out under subtitle C of title I of the National and Community Service Act of 1990 in community technology centers.

"SEC. 1612. ELIGIBILITY AND APPLICATION REQUIREMENTS.

''(a) ELIGIBLE APPLICANTS.—In order to be eligible to receive an award under this subpart, an applicant shall—

''(1) have the capacity to expand significantly access to computers and related services for disadvantaged residents of economically distressed urban and rural communities (who would otherwise be denied such access); and

''(2) be—

''(A) an entity such as a foundation, museum, library, for-profit business, public or private nonprofit organization, or community-based organization;

''(B) an institution of higher education;

''(C) a State educational agency;

''(D) a local education agency; or

''(E) a consortium of entities described in subparagraphs (A), (B), (C), or (D).

''(b) APPLICATION REQUIREMENTS.—In order to receive an award under this subpart, an eligible applicant shall submit an application to the Secretary at such time, and containing such information, as the Secretary may require. Such application shall include—

''(1) a description of the proposed project, including a description of the magnitude of the need for the services and how the project would expand access to information technology and related services to disadvantaged residents of an economically distressed urban or rural community;

''(2) a demonstration of—

''(A) the commitment, including the financial commitment, of entities such as institutions, organizations, business and other groups in the community that will provide support for the creation, expansion, and continuation of the proposed project; and

''(B) the extent to which the proposed project establishes linkages with other appropriate agencies, efforts, and organizations providing services to disadvantaged residents of an economically distressed urban or rural community;

''(3) a description of how the proposed project would be sustained once the Federal funds awarded under this subpart end; and

''(4) a plan for the evaluation of the program, which shall include benchmarks to monitor progress toward specific project objectives.

''(c) MATCHING REQUIREMENTS.—The Federal share of the cost of any project funded under this subpart shall not exceed 50 percent. The non-Federal share of such project may be in cash or in kind, fairly evaluated, including services.

"SEC. 1613. USES OF FUNDS.

''(a) REQUIRED USES.—A recipient shall use funds under this subpart for—

''(1) creating or expanding community technology centers that expand access to information technology and related training for disadvantaged residents of distressed urban or rural communities; and

''(2) evaluating the effectiveness of the project.

''(b) PERMISSIBLE USES.—A recipient may use funds under this subpart for activities, described in its application, that carry out the purposes of this subpart, such as—

''(1) supporting a center coordinator, and staff, to supervise instruction and build community partnerships;

''(2) acquiring equipment, networking capabilities, and infrastructure to carry out the project; and

''(3) developing and providing services and activities for community residents that provide access to computers, information technology, and the use of such technology in support of pre-school preparation, academic achievement, lifelong learning, and workforce development, such as the following:

''(A) After-school activities in which children and youths use software that provides academic enrichment and assistance with homework, develop their technical skills, explore the Internet, and participate in multimedia activities, including web page design and creation.

''(B) Adult education and family literacy activities through technology and the Internet, including—

''(i) General Education Development, English as a Second Language, and adult basic education classes or programs;

''(ii) introduction to computers;

''(iii) intergenerational activities; and

''(iv) lifelong learning opportunities.

''(C) Career development and job preparation activities, such as—

''(i) training in basic and advanced computer skills;

''(ii) resume writing workshops; and

''(iii) access to databases of employment opportunities, career information, and other online materials.

''(D) Small business activities, such as—

''(i) computer-based training for basic entrepreneurial skills and electronic commerce; and

''(ii) access to information on business start-up programs that is available online, or from other sources.

''(E) Activities that provide home access to computers and technology, such as assistance and services to promote the acquisition, installation, and use of information technology in the home through low-cost solutions such as networked computers, web-based television devices, and other technology.

''SEC. 1614. AUTHORIZATION OF APPROPRIATIONS.

''For purposes of carrying out this subpart, there is authorized to be appropriated $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

SA 380. Mr. ALLEN (for himself and Mr. WARNER) proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING EDUCATION OPPORTUNITY TAX RELIEF.

(a) FINDINGS.—The Senate finds the following:

(1) Improving the education of our children is an essential and important responsibility facing this country.

(2) Strong parental involvement is a cornerstone for academic success; it is parents who know and understand the special, individual needs of their own children.

(3) Advanced technology has fueled unprecedented economic growth and positively transformed the way Americans conduct business and communicate with each other.

(4) Families will need ready access to the technical tools and skills necessary for their school age children to succeed in the classroom and the increasingly competitive international marketplace.

(5) Studies have shown that the presence of a computer in the home has a positive impact on a student's level of academic achievement and performance in school.

(6) Tax relief, enabling the purchase of technology and tutorial services for K–12 education purposes, would significantly help defray the cost of education expenses by: empowering families financially and increasing education spending; allowing families to provide their children access to a far greater range of educational opportunities suited to their individual needs, and; bridging the digital divide.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress and the President should—

(1) Act expeditiously to pass legislation in the First Session of the 107th Congress that provides tax relief to parents of K–12 students for the cost of their children's education-related expenses, specifically, computers, peripherals and computer-related technology, educational software, Internet access and tutoring services; and

(2) That such tax relief would not apply toward the cost of private school tuition.

SA 381. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, insert the following:

SEC. ___. AMENDMENT TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Part D of the Individuals with Disabilities Education Act (20 U.S.C. 1451 et seq.) is amended by adding at the end the following:

''Chapter 3—Improving Early Intervention, Educational, and Transitional Services and Results for Children with Disabilities Through the Provision of Certain Services

''SEC. 691. FINDINGS.

''Congress makes the following findings:

''(1) Approximately 1,000,000 children and youth in the United States have low-incidence disabilities which affects the hearing, vision, movement, emotional, and intellectual capabilities of such children and youth.

''(2) There are 15 States that do not offer or maintain teacher training programs for any of the 3 categories of low-incidence disabilities. The 3 categories are deafness, blindness, and severe disabilities.

''(3) There are 38 States in which teacher training programs are not offered or maintained for 1 or more of the 3 categories of low-incidence disabilities.

''(4) The University of Northern Colorado is in a unique position to provide expertise, materials, and equipment to other schools and educators across the nation to train current and future teachers to educate individuals that are challenged by low-incidence disabilities.

''SEC. 692. NATIONAL CENTER FOR LOW-INCIDENCE DISABILITIES.

''In order to fill the national need for teachers trained to educate children who are challenged with low-incidence disabilities, the University of Northern Colorado shall be designated as a National Center for Low-Incidence Disabilities.

''SEC. 693. SPECIAL EDUCATION TEACHER TRAINING PROGRAMS.

''(a) GRANT.—The Secretary shall award a grant to the University of Northern Colorado to enable such University to provide to institutions of higher education across the nation such services that are offered under the special education teacher training program carried out by such University, such as providing educational materials or other information necessary in order to aid in such teacher training.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $2,000,000 for fiscal year 2002, and $1,000,000 for each of the fiscal years 2003 through 2005.''.

SA 382. Mr. DODD proposed an amendment to amendment SA 358 proposed by Mr. JEFFORDS to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; as follows:

On page 752, line 7, strike ''F or''.

NOTICE OF HEARING

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Thursday, May 10, 2001, at 2:45 p.m. in room 485 of the Russell Senate Office Building to conduct an oversight hearing to receive the goals and priorities of the Alaska Native community for the 107th Congress.

Those wishing additional information may contact committee staff at 202/224–2251.

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Ms. COLLINS. Mr. President, I would like to announce for the information of the Senate and the public that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs will hold a hearing entitled ''Tissue Banks: Is the Federal Government's Oversight Adequate?'' The upcoming hearing will identify and describe alleged problems in the tissue industry and assess the current adequacy of current and anticipated federal oversight.

The hearing will take place on Thursday, May 24, 2001, at 9:30 a.m., in room 342 of the Dirksen Senate Office Building. For further information, please contact Christopher A. Ford of the subcommittee staff at 224–3721.

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Mr. President, I ask unanimous consent that John Adams, who is a fellow in my office, be granted the privilege of the floor for the duration of the debate on the Bolton nomination.

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

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ernest Hollings:									
Brazil	Real		504.00						504.00
Uruguay	Peso		256.00						256.00
Argentina	Dollar		975.00						975.00
Chile	Dollar		592.00						592.00
Bolivia	Boliviano		174.00						174.00
Peru	Dollar		254.00						254.00
Colombia	Dollar		208.00						208.00
Panama	Dollar		214.00						214.00
Lila Helms:									
Brazil	Real		504.00						504.00
Uruguay	Peso		256.00						256.00
Argentina	Dollar		975.00						975.00
Chile	Dollar		592.00						592.00
Bolivia	Boliviano		174.00						174.00
Peru	Dollar		254.00						254.00
Colombia	Dollar		208.00						208.00
Panama	Dollar		214.00						214.00
Cheh Kim:									
United States	Dollar				6,600.10				6,600.10
France	Franc		1,190.00		57.55				1,247.55
Switzerland	Dollar		596.00						596.00
Italy	Lire		351.00						351.00
Jon Kamarck:									
United States	Dollar				6,600.10				6,600.10
France	Franc		1,190.00						1,190.00
France	Franc		57.55						57.55
Switzerland	Dollar		596.00						596.00
Italy	Lire		351.00						351.00
Senator Ted Stevens:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Senator Conrad Burns:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Senator Ben N. Campbell:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Steve Cortese:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Sid Ashworth:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Andy Givens:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Jennifer Chartrand:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Charlie Houy:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Tom Hawkins:									
Italy	Lire		983.26		3,074.00				4,057.26
Belgium	Dollar		58.00		670.45				728.45
Total			23,611.13		17,002.20				40,613.33

TED STEVENS,
Chairman, Committee on Appropriations, Apr. 2, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Bob Smith:									
United States	Dollar				1,905.12				1,905.12
Italy	Lire		405.00						405.00
Senator Joseph I. Lieberman:									
Germany	Dollar		378.00						378.00
Senator John McCain:									
Germany	Dollar		353.00						353.00
Skip Fischer:									
Germany	Dollar		438.66						438.66
Frederick M. Downey:									
Germany	Dollar		387.52						387.52
Senator John McCain:									
Ecuador	Dollar		210.00						210.00
Colombia	Dollar		402.00						402.00
Senator John Warner:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Senator Pat Roberts:									
Greece	Drachma		600.00						600.00
Egypt	Pound		589.00						589.00
Belgium	Dollar		296.54						296.54
Senator Carl Levin:									
Colombia	Dollar		266.00						266.00

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David S. Lyles:									
United States	Dollar				239.75				239.75
Colombia	Dollar		261.00						261.00
Richard D. DeBobes:									
United States	Dollar				239.75				239.75
Colombia	Dollar		261.00						261.00
Senator Bill Nelson:									
Colombia	Dollar		286.00						286.00
Senator Jack Reed:									
Colombia	Dollar		263.00						263.00
Senator Ben Nelson:									
Colombia	Dollar		323.00						323.00
United States	Dollar				220.50				220.50
Total			7,205.26		2,605.12				9,810.38

JOHN WARNER,
Chairman, Committee on Armed Services, Apr. 6, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Phil Gramm:									
Mexico	Dollar		707.46						707.46
Senator Jim Bunning:									
Mexico	Dollar		749.54						749.54
Senator Mike Crapo:									
Mexico	Dollar		870.30	819.14					1,689.44
Senator Zell Miller:									
Mexico	Dollar		819.45						819.45
Ruth Cymber:									
Mexico	Dollar		606.57						606.57
Expenses for Delegation[1]:									
Mexico	Dollar						5,485.89		5,485.89
Total			3,753.32		819.14		5,485.89		10,058.35

[1]Delegation expenses include direct payments and reimbursements to the Department of State under authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95–384.

PHIL GRAMM,
Chairman, Committee on Banking, Housing,
and Urban Affairs, Mar. 29, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SENATE BUDGET COMMITTEE FOR TRAVEL FROM JAN. 1, TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Pete V. Domenici:									
Mexico	Peso		555.98		571.29		32.03		1,159.30
Total			555.98		571.29		32.03		1,159.30

PETE V. DOMENICI,
Chairman, Senate Budget Committee, Mar. 23, 2001.

AMENDMENT TO 4TH QUARTER 2000 CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM OCT. 1 TO DEC. 31, 2000

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sara Hessenflow:									
Netherlands	Guilder		1,512.00						1,512.00
	Dollar				631.28				631.28
Brazil	Dollar		934.37		3,148.80				4,083.17
George Abar:									
Netherlands	Guilder		2,171.16						2,171.16
	Dollar				731.27				731.27
Floyd DesChamps:									
Netherlands	Guilder		2,930.68						2,930.68
	Dollar				731.28				731.28
Brazil	Dollar		1,016.46		3,148.80				4,165.26
Margaret Spring:									
Netherlands	Guilder		1,282.31						1,282.31
	Dollar				631.27				631.27
Elizabeth Prostic:									
Brazil	Dollar		1,046.46		3,148.80				4,195.26
Total			10,893.44		12,171.50				23,064.94

JOHN McCAIN,
Chairman, Committee on Commerce, Science,
and Transportation, Mar. 7, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES FOR TRAVEL FROM OCT. 1 TO DEC. 31, 2000

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Kelly Johnson:									
Australia	Dollar		1,670.00		8,189.95				9,859.95
Daniel Whiting:									
Australia	Dollar		1,250.00		7,960.95				9,210.95
Robert Simon:									
Netherlands	Guilder		1,457.70		6,127.28				7,584.98
Shirley Neff:									
Netherlands	Guilder		1,130.00		6,077.28				7,207.28
Bryan Hannegan:									
Netherlands	Guilder		1,582.00		177.28				1,759.28
David Garman:									
Netherlands	Guilder		565.00		6,077.28				6,642.28
Total			7,654.70		34,610.02				42,264.72

FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, Apr. 4, 2001

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Daniel Akaka:									
United States	Dollar				4,994.60				4,994.60
Chile	Peso		888.00						888.00
Richard Kessler:									
United States	Dollar				4,994.60				4,994.60
Chile	Peso		888.00						888.00
Senator Fred Thompson:									
Colombia	Peso		442.00						442.00
Ecuador	Sucre		210.00						210.00
Mark Esper:									
Colombia	Peso		442.00						442.00
Ecuador	Sucre		210.00						210.00
Senator George Voinovich:									
United States	Dollar				1,140.00				1,140.00
Germany	Mark		241.00						241.00
Yugoslavia	Dinar		345.00						345.00
Egypt	Pound		223.00						223.00
Israel	New Shekel		422.00						422.00
Aric Newhouse:									
United States	Dollar				1,140.00				1,140.00
Germany	Mark		216.00						216.00
Yugoslavia	Dinar		192.00						192.00
Egypt	Pound		191.00						191.00
Israel	New Shekel		429.00						429.00
Total			5,339.00		12,269.20				17,608.20

FRED THOMPSON,
Chairman, Committee on Governmental Affairs, Apr. 2, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM JAN. 1, TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Don Stone:									
			512.00						512.00
United States	Dollar				4,022.16				4,022.16
Tracey Winfrey:									
			512.00						512.00
United States	Dollar				4,022.16				4,022.16
Peter Cleveland:									
			512.00						512.00
United States	Dollar				4,022.16				4,022.16
Linda Taylor:									
			773.00						773.00
United States	Dollar				4,671.64				4,671.64
Senator Bob Graham:									
			926.20						926.20
Senator Jon Kyl:									
			502.00						502.00
Alfred Cumming:									
			583.00						583.00
Robert Filippone:									
			852.20						852.20
Senator John D. Rockefeller:									
			451.00						451.00
Paula DeSutter:									
			502.00						502.00
Senator Richard Shelby:									
			3,177.00						3,177.00
United States					812.00				812.00
							656.00		656.00
William Duhnke:									
			2,136.00						2,136.00
Kathleen Casey:									
			2,877.00						2,877.00
Peter Dorn:									
			1,178.00						1,178.00

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM JAN. 1, TO MAR. 31, 2001—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Peter Dorn:									
United States	Dollar				6,162.00				6,162.00
Randall Bookout:									
			1,178.00						1,178.00
United States	Dollar				6,162.00				6,162.00
Linda Taylor:									
			1,037.00						1,037.00
United States	Dollar				4,430.24				4,430.24
Patricia McNerney:									
			734.00						734.00
United States	Dollar				1,781.60				1,781.60
Lorenzo Goco:									
			740.00						740.00
United States	Dollar				2,001.60				2,001.60
Robert Filippone:									
			759.00						759.00
United States	Dollar				1,781.60				1,781.60
Michele Lang:									
			1,947.00						1,947.00
United States	Dollar				5,208.00				5,208.00
Total			21,888.40		45,077.16		656.00		67,621.56

RICHARD SHELBY,
Chairman, Committee on Intelligence, May 4, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM JAN. 1 TO MAR. 30, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Orrin Hatch:									
Switzerland			2.00						2.00
France			750.00						750.00
Paul Matulic:									
Switzerland			492.00						492.00
France			750.00						750.00
Total			1,994.00						1,994.00

ORRIN HATCH,
Chairman, Committee on the Judiciary, Apr. 5, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Chadwick Gore:									
United States	Dollar				5,380.06				5,380.06
Austria	Dollar		438.35						438.35
United States	Dollar				5,373.48				5,373.48
Austria	Dollar		462.00						462.00
Rep. Steny Hoyer:									
United States	Dollar				1,392.00				1,392.00
Russian Federation	Dollar		918.00		508.71				1,426.71
Moldova	Dollar		175.00						175.00
Austria	Dollar		199.00						199.00
Marlene Kaufmann:									
United States	Dollar				1,392.00				1,392.00
Russian Federation	Dollar		643.48		508.71				1,152.19
Moldova	Dollar		55.00						55.00
Austria	Dollar		404.03						404.03
United States	Dollar				5,297.49				5,297.49
Romania	Dollar		752.00						752.00
Total			4,046.86		19,852.45				23,899.31

BEN NIGHTHORSE CAMPBELL,
Chairman, Commission on Security and Cooperation in Europe, Apr. 24, 2001.

AMENDMENT TO THE 4TH QUARTER 2000 CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), TRAVEL AUTHORIZED BY MAJORITY LEADER, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 2000

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Mike Enzi:									
Netherlands	Guilder		1,518.14		1,995.28				3,513.42
Senator Larry Craig:									
Netherlands	Guilder		3,546.25		6,077.28				9,623.53
George O'Connor:									
Netherlands	Guilder		3,546.25		6,127.28				9,673.53
Senator Chuck Hagel:									
Netherlands	Guilder		1,223.10		6,468.28				7,691.38
Kenneth Peel:									
Netherlands	Guilder		1,223.10		6,027.28				7,250.38
Total			11,056.84		26,695.40				37,752.24

TRENT LOTT,
Majority Leader, Mar. 31, 2001.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), TRAVEL AUTHORIZED BY CONGRESSIONAL DELEGATION OF SENATORS MIKULSKI AND BROWNBACK FOR TRAVEL FROM JAN. 6 TO JAN. 9, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Barbara Mikulski:									
Italy	Lire		700.04						700.04
Senator Sam Brownback:									
Italy	Lire		968.36						968.36
Senator Frank H. Murkowski:									
Italy	Lire		968.36						968.36
Senator Bob Smith:									
Italy	Lire		946.57						946.57
Senator Rick Santorum:									
Italy	Lire		968.36						968.36
Senator Mary Landrieu:									
Italy	Lire		968.36						968.36
Senator Susan Collins:									
Italy	Lire		602.23						602.23
Dr. Lloyd J. Ogilvie:									
Italy	Lire		863.26						863.26
Rob Wasinger:									
Italy	Lire		700.04						700.04
Delegation Expenses: [1]									
Italy	Lire						13,888.97		13,888.97
Total			7,685.58				13,888.97		21,574.55

[1] Delegation expenses include direct payments and reimbursements to the Department of State and the Department of Defense under authority of sec. 502(b) of the Mutual Security Act of 1954, as amended by sec. 22 of P.L. 95–384, and S. Res. 179, agreed to May 25, 1977.

TRENT LOTT, Majority Leader,
TOM DASCHLE, Democratic Leader,
Mar. 31, 2001.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. CORZINE). Morning business is closed.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT

The PRESIDING OFFICER. The Senate will now resume consideration of S. 1, which the clerk will report.

The assistant legislative clerk read as follows:

An original bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965.

Pending:

Jeffords amendment No. 358 in the nature of a substitute.

Craig amendment No. 372 (to amendment No. 358), to tie funding under the Elementary and Secondary Education Act of 1965 to improved student performance.

Kennedy modified amendment No. 375 (to amendment No. 358), to express the sense of the Senate regarding, and to authorize appropriations for title II, part A, of the Elementary and Secondary Education Act of 1965, with respect to the development of high-qualified teachers.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I welcome the opportunity to be back on this extremely important piece of legislation on which many of us, on both sides of the aisle, have worked on these past weeks. With the leadership of President Bush, we have made every kind of effort, because of the importance of education, to try to find common ground.

We remember very well the debates and discussions we had a little over a year ago when we were at such odds and unable to move ahead with the reauthorization bill. The other side wanted to abolish the Department of Education. How far we have come. Now we are together with a unanimous vote out of our Committee to move this reauthorization bill forward, although there are those who still have some concerns about the legislation they have spoken to in these past days and will speak to as we continue to debate this legislation over the course of this week and I expect coming into next week as well.

We all understand this legislation is really about our future. It is called the Elementary and Secondary Education Act, but it really is a recognition that we have 20 percent of our children in this country living in poverty and about 50 percent of those are eligible for coverage by the Elementary and Secondary Education Act.

We are trying to bring some focus and attention to these children in their early years so they will be able to be a part of the great American dream. We recognize if they do not get off to a Head Start or Early Start or Smart Start, and they are not qualified when they go to school, not able to learn, it is extremely difficult, if not impossible, for them to go through the education system and continue to develop skills in college or afterwards, or in alternative training programs, and be a part of a new economy in the United States and throughout the world.

All of us understand that in many respects, of all the things we are going to do this year, this debate will say more about what kind of country we are going to be in 10 or 15 years than anything else we do. This debate is about the future. This is about our children. This is about the seriousness with which we, at this time in American history, are prepared to invest in those children to give them the opportunity to be a part of our society.

We cannot knock down all the walls of unfairness in our society, but one thing we know for sure: If a child does not start off with the ability to learn and is not challenged in those early years of education, it is difficult to believe they will be equipped to play a meaningful role in our society.

In many respects this is a defining issue. It is a defining value of our country. Do we really believe in equality for our people? All Americans understand the very special role of public education in our society and what a difference it has made to our greatness as nation. We, in each generation, have to find ways to make sure that playing field is going to be fair and equal and that those children who will be coming up all across this Nation, and their families, can have confidence in our public school system. That ought to be generally applicable for children from

homes of every income, but we all understand children who come from economically challenged situations are facing additional problems.

We have tried to work together on these challenges. We have legislation that reflects the best judgment of those on the other side of the aisle as well as this side of the aisle. We are prepared to see this legislation move forward. As we go through this week, we will consider changes on the legislation, but we are prepared to see this legislation move forward. It has important provisions on accountability. It has accountability for schools, it has accountability for parents, it has accountability for children. It provides some resources to make those services available.

But if there is one overwhelming flaw in this legislation—and it is an overwhelming flaw—it is that after all is said and done about the importance of this legislation, we are failing to give the life to the legislation which it is capable of providing to so many of the children because we are not providing the services contemplated in this legislation to all the children who need it. We will not be providing the services to the children, about which those who talk about this legislation too frequently and glibly talk.

We have to provide support for needy children. We have to do it by providing resources. You cannot have education on the cheap. You cannot have an education budget that is a tin cup budget. We have to invest in our children. That is what this debate is about, investing in our children.

It is important for the country, as we are debating these issues, to understand exactly what we have done and what we have not done. The good news is that the Senate, in a bipartisan way last Friday, with the strong bipartisan leadership from Senators HARKIN and HAGEL, agreed to ensure that the Federal Government is going to meet its responsibilities to local communities and, most important, to disabled children in our communities. What a help that is going to be for millions of children. Full IDEA funding necessary will be available for children with disabilities. That is the guarantee that was made more than 25 years and never lived up to. Only a third of full funding was provided. Now we will be able to help every child with a disability.

In a very positive way in another very important bipartisan effort, Senator DODD and Senator COLLINS made the compelling case that if we are going to provide assistance to needy children under the Title I program, then we ought to provide it to every needy child.

We have been unable to get a similar commitment from the administration, from the President of the United States, on the funding of the Title I program. The initiatives provided by the President are inadequate to even get to 50 percent of the children, let alone 100 percent of the children, even though in the underlying legislation we effectively promise a fair chance at proficiency to all children, under the Title I program.

That is enormously troublesome. If we do not provide the funding, which we are strongly committed to on this side of the aisle—and with notable recognition of a number of our colleagues on the other side of the aisle who have supported those efforts—then, frankly, this legislation may become just a cliche. It will be just a cliche for two-thirds of the children who are eligible for Title I, but who do not receive full services.

Someone watching this debate over recent times must wonder what happened here in the Senate. If they watched the debate on the budget a few weeks ago, they saw the Senator from Iowa, Mr. HARKIN, talk about having some $250 billion of tax reductions that would go to support increased education funding.

That passed overwhelmingly. I think that was a very clear indication about the priorities in the Senate and the priorities across this country.

We are taking less than 10 percent of the tax break, which has a great percentage going to the wealthiest individuals, and saying, let's fund the Early Start Program, the Smart Start Program, and the Head Start Program. Head Start is only funded at a 40 to 45 percent level, and in some of the poorest areas of this country, only 25 percent of eligible children can be served because of inadequate funding. These are eligible children about which we are talking. Their parents want them to be able to get the Head Start Program. And they are told, no. Why? Because we are making a judgment in this body that the reduction in the tax breaks for the wealthiest individuals ought to have a preference over children who are in some of the most challenging and difficult circumstances.

Under the Harkin amendment, we effectively have full funding for the Head Start Program. We would have substantial funding increases in the Title I program. We would provide more help and assistance under the Pell Grant program for children who are academically gifted and talented, but don't have the resources to afford colleges.

The Harkin amendment was a real indication of our Nation's priorities. What happened to it? We will see on the budget bill that comes back from the House of Representatives. We can ask ourselves: Did the Republican leadership consider the vote on the floor of the Senate of $250 billion for education? Did they include $200 billion? No, they didn't include $200 billion. Did they include $150 billion? No, they didn't include $150 billion. Did they have $100 billion? No. Fifty billion dollars? No. Twenty-five billion dollars? No. Five billion dollars? No.

Zero, Mr. President; zero.

That comes directly from the White House. We wouldn't have that unless the White House had given those instructions. Republican leadership and the White House—zero for education funding increases.

We have had debates about money isn't everything. We have had it said that money is not going to solve all of these problems. We are going to have a modest increase in terms of the budget over future years. Next year it is going to be an increase of 5 percent on the budget.

That was interesting to me because we have seen what has been the increase in education over the period of the last 5 years. It has gone up 12.8 percent a year in the last 5 years at a time even when we had sizable deficits—12.8 percent in the last 5 years.

Now we have a new sense and a new administration that says education is a top priority important? And what is their increase for the next year? Their figure is 3.6 percent for 2002.

How did we get that amount of money? That amounts to $1.8 billion.

That is $1.8 billion they didn't have last year. Where did they get the $1.8 billion? It might be of some interest the Republican budget cuts job training by $541 million. The job training program is the result of a bipartisan effort that Senator JEFFORDS was a part of, led by Senator Kassebaum, myself, and others, in order to consolidate 126 job training programs into 12 different agencies with one-stop shopping. It had the broad support from the trade union movement and from the business community. It is to try to continue skilled training for workers who need it. No. No. We need $1.8 billion in education. We take $541 million out of job training.

Early learning opportunities—this is, again, a bipartisan program. Senator JEFFORDS and Senator STEVENS were very involved in that; my colleagues, Senators DODD and KERRY, very much involved in this, with perhaps a very small appropriations. That is with the recognition that study after study says that ages 1 to 3 are enormously important for children, and the early interventions from the ages of 1 to 3 to give support to children prior to the time they are even thinking about going to Head Start. That was all zeroed out in the Republican budget.

Pediatric graduate medical education cut. $35 million to train who? Pediatricians. Who do they care for? Children. Yes. They got a cut. They should have gotten an increase, because that has been one aspect of medical training of professionals that has gotten no help until recent years.

I applaud the previous administration in recognizing that. I want to make sure we are going to have the best pediatric specialists in the world to take care of our children.

We have taken $35 million from the EPA clean water fund; $497 million from renewable energy; $156 million from the National Science Foundation; and $200 million from the National Science Foundation.

Talking about math and science, on the one hand, the National Science

Foundation is supposed to be trying to help develop national policies to help our country deal with math and science. We are taking $200 million out of that. FEMA disaster relief cut $270 million; community policing cut $270 million.

They are cutting all of those programs and putting them up for the increase in the education next year.

This is not the kind of endorsement for education that I think most of the American people were expecting when we heard during the President's campaign that education is a top priority.

Let's look at the out years of the Republican budget. If we pass this budget, this budget has a zero increase in 2003, a zero increase in 2004, 2005, 2006, 2007, 2008, 2009, and 2010 in the area of education. Zero.

What are we supposed to believe? I was absolutely startled when I saw that. I thought, well, maybe they are not going to give us all the money we need in order to cover all Title I children. But at least they will do it a little bit—maybe not as fast as I would like to do it, or virtually everyone on this side of the aisle wants to do it. Every Democrat has supported our proposal to provide Title I services to every eligible child within a 5-year period. We are unanimous on that. But, no, the Republican budget provides zero in fiscal year 2003, and zero every single year, all the way out for the life of their ten year budget bill.

Nothing is in there in terms of the poorest of the poor children—zero, nothing; nothing in there for any expansion of the Pell grants. Nothing is in there in terms of expansion of Head Start. Nothing is in there in terms of children with disabilities. But there is plenty—$1.2 trillion in tax cuts for the wealthiest individuals.

How many times do we have to come back to the Senate and say, no, that isn't where the American people are. We are in a bipartisan saying, no. Education is the key. Education should be our top budget priority.

But around here, you find out that this is what talks. Money may not be the answer to all the problems in education, but it is a clear indication of where a nation's priorities are.

It is as simple as that. You will hear from many friends over here that money doesn't solve problems. You keep adding money they say, and too often children still will not make progress. Well, money is not going to solve all of our education problems. But when you follow the money, you can see where a nation's priorities are, and where they are prepared to invest in terms of the future.

This is a shocking budget that absolutely fails the children in this country.

I hope this will be defeated on that basis and that basis alone.

Many of our colleagues, hopefully, are not going to have it both ways—vote for increases on the floor of the Senate, and then vote on the budget for irresponsible tax cut for the wealthy. You have my vote on the Senate floor: That is how I stand on education. Here is my vote. And you have my vote on the budget. That shows how I stand on taxes.

I can remember very well a true story from when I first came to the Senate. In my first week in the Senate, I listened to my colleague, Willis Robertson, a Senator from Virginia. He gave an impassioned plea in favor of an issue. When the time came to vote, he voted in opposition to it. I said: Willis, you gave a speech in favor on the floor, and I supported it. He said: In my State on this issue the people are evenly divided. For those who favor it, I send my speech. For those who oppose it, I send my vote. That was 40 years ago. I hope we are not going to see that again. People laugh about it—and they should laugh about it—but it will be a sad thing if that is what Senators do on education this year.

What are we trying to do on investing? This is what we have been trying to do with children who have disabilities. Under the Republican budget, their proposal will cover 825,000 children this year, and it will be the same number 10 years from now. It will be different children, but it will be the same total: 825,000 children—no increase.

Under the Democratic proposal, we are raising that up to cover the 5.5 million. We are saying that no child with a disability should be left behind. We want our President to join us. We do not want him on the outside of this debate. We want him to join us. We want him to lead the bipartisan effort in the Senate and the bipartisan effort across the country. We want him out in front on this. But if you are going to get out in front, you are going to have to support the kind of investments about which we have been talking.

Low-income children: We have about 10.3 million children who are eligible for Title I. Under the administration's budget, for the next fiscal year there will be 3.7 million covered; and in fiscal year 2011, the same 3.7 million children. There will be no increase whatsoever. We increase it—almost double it—next year under the Dodd-Collins amendment; and then we phase in and reach the whole 10.3 million children by fiscal year 2011. We get the greatest bulk of those children covered within 5 years from now. I think it is the appropriate way to do it. I would like to do it even somewhat faster, but we were able to have an overwhelming vote, in excess of two-thirds of the Members, for that Dodd-Collins commitment.

We see how the Republican budget shortchanges children in another area: limited-English-proficient children. In this country, we are benefitting in so many different ways from those who come from different cultures and different traditions. The children are trying to make their way through our school systems. We find in the Republican proposal, 699,000 children are provided help in 2002. The same number of children, 699,000, are covered in 2011. In 2002, we ramp it up to 1.5 million children; and by 2011, serve all 2.6 million limited English proficient children.

I want to mention one of the important areas we will be voting on tomorrow, and that is in relation to professional development. We have 750,000 teachers teaching poor children who are hard working, decent, wonderful people, but do not have all of the background and competency in the areas in which they are teaching. They need additional training. This is aside from the continuation of professional development, an ongoing responsibility.

In the legislation, we say in 4 years that half of all the children in Title I will have well-qualified teachers, but we do not provide the resources for it. So we have pending an amendment that I and others have offered to make sure we are going to be able to reach those 750,000 teachers.

How are we going to expect children to take tests and measure up on the tests when they are not going to have teachers who can teach their subject matter properly? It just does not make a great deal of sense. You have to have a well-qualified teacher.

We know there is $137 billion of need out there in terms of school repairs. We do not expect the Federal Government to pick up all of the cost, but we ought to be able to at least do our part. The Harkin amendment, which provides $1.6 billion this year, is a good departure point, but it is not in the underlying bill. I wish it were. If I had drafted it, it would be in the bill. There are others who did not want it in the bill, but we are going to see an amendment from the Senator from Iowa to try to make sure we are going to provide the construction. There is nothing in this Republican budget for school repair. We believe there should be a modest school construction amendment.

After-school opportunities: There are 7 million children between the ages of 8 and 13 who go home alone every single day. As this body knows, if you take out the various charts, you can show the increased escalation in terms of violence in society from children getting into trouble and also the increase in contact with alcoholism and antisocial behavior.

We know the important role that after-school programs play in connection with schools and educational centers to provide an atmosphere where children can receive additional kinds of help and assistance in the afternoon. The Boys and Girls Clubs are excellent examples such as in my own city of Boston. We know the difference they make.

In the Republican proposal, there are only 1.1 million children who get assistance in 2002; and in fiscal year 2011, there will still be only 1.1 million children who get assistance. Under our proposal, 1.5 million children will get assistance in 2002—a very small increase, but we are going in the right direction—and then afterschool programs

would be available to virtually all latch-key children.

We would be developing the after-school program and have good teachers, good mentoring, and doing something about the school construction, and having support for the early interventions with children, good funding for the Head Start Programs, the consolidation of the computers, and doing something about the curriculum, and then the accountability, finding out what the children don't know, and giving the help in the supplementary services to those children so they can make progress. We would give help, making these programs available to them afterwards; not using tests as punishment, but using them as ways for educators to understand where these children are falling out and falling behind.

It is a pretty good check on some of the schools as well to find out which schools are working and getting that information back to the parents so the parents understand what is going on and can tell which schools are working. Then they can do some things about it.

This is what we are talking about. I am enormously distressed about what we are looking at in this budget that has been proposed.

We want to make it crystal clear that we are going to continue to battle during this authorization for investments in children. I am hopeful we can resist this budget when it comes, but if we do not, we are going to have the tax program coming in several weeks and we will have an opportunity again to battle to make education a priority in this nation's budget.

We know we have people in this body who are prepared to support us. We are putting this Congress, this President, on notice that this fight will not end until we make funding education a top priority. We are either going to get the commitment from the Administration that they are going to fund education or we are going to be back here when the specifics of the tax program are debated. We are going to come back when the Appropriations bills come out.

I have been around here enough to know how important the budget can be and not be when it comes to the will of the Senate. We are going to be right back here on the appropriations. This is going to be a long, continuing, ongoing battle and one in which I am absolutely convinced we will be successful. We are just expressing the sense of the American people.

Mr. President, at this time I would like to offer two amendments and ask unanimous consent to set them aside.

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

AMENDMENT NO. 378 TO AMENDMENT NO. 358

(Purpose: To provide for class reduction programs)

Mr. KENNEDY. Mr. President, I send an amendment to the desk on behalf of Senator MURRAY and ask that it be temporarily set aside.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for Mrs. MURRAY, proposes an amendment numbered 378 to amendment No. 358.

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

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

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

AMENDMENT NO. 379 TO AMENDMENT NO. 358

Mr. KENNEDY. Mr. President, I send another amendment to the desk on behalf of Senator MIKULSKI on community technology centers.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for Ms. MIKULSKI, for herself and Mr. KENNEDY, proposes an amendment numbered 379 to amendment No. 358.

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

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

The amendment is as follows:

(Purpose: To provide for the establishment of community technology centers)

On page 245, between lines 13 and 14, insert the following:

''Subpart 1—21st Century Community Learning Centers

On page 245, line 15, strike ''part'' and insert ''subpart''.

On page 245, line 18, strike ''part'' and insert ''subpart''.

On page 246, line 13, strike ''part'' and insert ''subpart''.

On page 249, line 11, strike ''part'' and insert ''subpart''.

On page 249, line 16, strike ''part'' and insert ''subpart''.

On page 249, line 18, strike ''part'' and insert ''subpart''.

On page 250, line 16, strike ''part'' and insert ''subpart''.

On page 250, line 23, strike ''part'' and insert ''subpart''.

On page 251, line 2, strike ''part'' and insert ''subpart''.

On page 251, line 22, strike ''part'' and insert ''subpart''.

On page 251, line 25, strike ''part'' and insert ''subpart''.

On page 252, line 13, strike ''part'' and insert ''subpart''.

On page 252, line 15, strike ''part'' and insert ''subpart''.

On page 252, line 20, strike ''part'' and insert ''subpart''.

On page 252, line 23, strike ''part'' and insert ''subpart''.

On page 254, line 2, strike ''part'' and insert ''subpart''.

On page 254, line 12, strike ''part'' and insert ''subpart''.

On page 254, line 15, strike ''part'' and insert ''subpart''.

On page 255, line 3, strike ''part'' and insert ''subpart''.

On page 256, line 24, strike ''part'' and insert ''subpart''.

On page 257, line 1, strike ''part'' and insert ''subpart''.

On page 257, line 12, strike ''part'' and insert ''subpart''.

On page 257, between lines 18 and 19, insert the following:

''Subpart 2—Community Technology Centers

''SEC. 1611. PURPOSE; PROGRAM AUTHORITY.

''(a) PURPOSE.—It is the purpose of this subpart to assist eligible applicants to—

''(1) create or expand community technology centers that will provide disadvantaged residents of economically distressed urban and rural communities with access to information technology and related training; and

''(2) provide technical assistance and support to community technology centers.

''(b) PROGRAM AUTHORITY.—

''(1) IN GENERAL.—The Secretary is authorized, through the Office of Educational Technology, to award grants, contracts, or cooperative agreements on a competitive basis to eligible applicants in order to assist such applicants in—

''(A) creating or expanding community technology centers; or

''(B) providing technical assistance and support to community technology centers.

''(2) PERIOD OF AWARD.—The Secretary may award grants, contracts, or cooperative agreements under this subpart for a period of not more than 3 years.

''(3) SERVICE OF AMERICORPS PARTICIPANTS.—The Secretary may collaborate with the Chief Executive Officer of the Corporation for National and Community Service on the use of participants in National Service programs carried out under subtitle C of title I of the National and Community Service Act of 1990 in community technology centers.

''SEC. 1612. ELIGIBILITY AND APPLICATION REQUIREMENTS.

''(a) ELIGIBLE APPLICANTS.—In order to be eligible to receive an award under this subpart, an applicant shall—

''(1) have the capacity to expand significantly access to computers and related services for disadvantaged residents of economically distressed urban and rural communities (who would otherwise be denied such access); and

''(2) be—

''(A) an entity such as a foundation, museum, library, for-profit business, public or private nonprofit organization, or community-based organization;

''(B) an institution of higher education;

''(C) a State educational agency;

''(D) a local education agency; or

''(E) a consortium of entities described in subparagraphs (A), (B), (C), or (D).

''(b) APPLICATION REQUIREMENTS.—In order to receive an award under this subpart, an eligible applicant shall submit an application to the Secretary at such time, and containing such information, as the Secretary may require. Such application shall include—

''(1) a description of the proposed project, including a description of the magnitude of the need for the services and how the project would expand access to information technology and related services to disadvantaged residents of an economically distressed urban or rural community;

''(2) a demonstration of—

''(A) the commitment, including the financial commitment, of entities such as institutions, organizations, business and other groups in the community that will provide support for the creation, expansion, and continuation of the proposed project; and

''(B) the extent to which the proposed project establishes linkages with other appropriate agencies, efforts, and organizations providing services to disadvantaged residents of an economically distressed urban or rural community;

''(3) a description of how the proposed project would be sustained once the Federal funds awarded under this subpart end; and

''(4) a plan for the evaluation of the program, which shall include benchmarks to monitor progress toward specific project objectives.

''(c) MATCHING REQUIREMENTS.—The Federal share of the cost of any project funded under this subpart shall not exceed 50 percent. The non-Federal share of such project may be in cash or in kind, fairly evaluated, including services.

''SEC. 1613. USES OF FUNDS.

''(a) REQUIRED USES.—A recipient shall use funds under this subpart for—

''(1) creating or expanding community technology centers that expand access to information technology and related training for disadvantaged residents of distressed urban or rural communities; and

''(2) evaluating the effectiveness of the project.

''(b) PERMISSIBLE USES.—A recipient may use funds under this subpart for activities, described in its application, that carry out the purposes of this subpart, such as—

''(1) supporting a center coordinator, and staff, to supervise instruction and build community partnerships;

''(2) acquiring equipment, networking capabilities, and infrastructure to carry out the project; and

''(3) developing and providing services and activities for community residents that provide access to computers, information technology, and the use of such technology in support of pre-school preparation, academic achievement, lifelong learning, and workforce development, such as the following:

''(A) After-school activities in which children and youths use software that provides academic enrichment and assistance with homework, develop their technical skills, explore the Internet, and participate in multimedia activities, including web page design and creation.

''(B) Adult education and family literacy activities through technology and the Internet, including—

''(i) General Education Development, English as a Second Language, and adult basic education classes or programs;

''(ii) introduction to computers;

''(iii) intergenerational activities; and

''(iv) lifelong learning opportunities.

''(C) Career development and job preparation activities, such as—

''(i) training in basic and advanced computer skills;

''(ii) resume writing workshops; and

''(iii) access to databases of employment opportunities, career information, and other online materials.

''(D) Small business activities, such as—

''(i) computer-based training for basic entrepreneurial skills and electronic commerce; and

''(ii) access to information on business start-up programs that is available online, or from other sources.

''(E) Activities that provide home access to computers and technology, such as assistance and services to promote the acquisition, installation, and use of information technology in the home through low-cost solutions such as networked computers, web-based television devices, and other technology.

''SEC. 1614. AUTHORIZATION OF APPROPRIATIONS.

''For purposes of carrying out this subpart, there is authorized to be appropriated $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

Mr. KENNEDY. Mr. President, these amendments are two very worthwhile amendments with which this body is familiar, and with the excellent presentation we will be hearing and have heard from the Senator from Washington about the importance of class size. As a former school board member and first grade teacher, she makes a case that is irrefutable. We are looking forward to at least some support on the other side.

I can remember the first year it was accepted, Speaker Newt Gingrich went out and gave a positive statement how Republicans had supported this very important breakthrough in education, smaller class size. Subsequently, we haven't been able to get quite the breadth of support on that side of the aisle. Now that this has been in effect for a number of years and is working in a number of the States and we are seeing important, significant, and positive results, hopefully we will have support for it.

Senator MIKULSKI is our leader in the Senate in terms of the digital divide. We have seen in our society where education has been a divide, and we are committed to making sure that this piece of legislation isn't going to further that divide. We want to make sure, with this new phenomenon and new technology in terms of the Internet and the high technology, that we are not having another phenomenon that comes into our society and impacts our society between the haves and have-nots. Senator MIKULSKI has been the leading voice. These community technology centers have made an enormous difference in reducing that disparity. I know she will speak very eloquently about that shortly.

I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I won't take the time of the Senate at this point to answer the suggestions of my good friend that we have done less on this side than we should for education. I think we have all done less than we should for education.

I will point out that during the Clinton administration, there was practically little or no increase in title I funding. They did have other requests for increases, but for the very needy they did little. Also, for professional teachers, they did little. There was the class size proposal to add more teachers. We can debate this back and forth, but we are all guilty of not providing the necessary resources for education.

I am hopeful we will go forward and pass the amendment I had, along with Senator HARKIN, to fully fund IDEA.

Right now, Senator ALLEN has an amendment and I defer to him.

AMENDMENT NO. 380 TO AMENDMENT NO. 358

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ALLEN. Mr. President, I ask unanimous consent that the pending amendments be set aside. I send an amendment to the desk and ask for its immediate consideration.

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

The assistant legislative clerk read as follows:

The Senator from Virginia [Mr. ALLEN], for himself and Mr. WARNER, proposes an amendment numbered 380 to amendment No. 358.

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

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

The amendment is as follows:

(Purpose: To provide a Sense of the Senate Regarding Education Opportunity Tax Relief)

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING EDUCATION OPPORTUNITY TAX RELIEF.

(a) FINDINGS.—The Senate finds the following:

(1) Improving the education of our children is an essential and important responsibility facing this country.

(2) Strong parental involvement is a cornerstone for academic success; it is parents who know and understand the special, individual needs of their own children.

(3) Advanced technology has fueled unprecedented economic growth and positively transformed the way Americans conduct business and communicate with each other.

(4) Families will need ready access to the technical tools and skills necessary for their school age children to succeed in the classroom and the increasingly competitive international marketplace.

(5) Studies have shown that the presence of a computer in the home has a positive impact on a student's level of academic achievement and performance in school.

(6) Tax relief, enabling the purchase of technology and tutorial services for K–12 education purposes, would significantly help defray the cost of education expenses by: empowering families financially and increasing education spending; allowing families to provide their children access to a far greater range of educational opportunities suited to their individual needs, and; bridging the digital divide.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress and the President should—

(1) Act expeditiously to pass legislation in the First Session of the 107th Congress that provides tax relief to parents of K–12 students for the cost of their children's education-related expenses, specifically, computers, peripherals and computer-related technology, educational software, Internet access and tutoring services; and

(2) That such tax relief would not apply toward the cost of private school tuition.

Mr. ALLEN. Mr. President, having listened to the impassioned words of the Senator from Massachusetts, Mr. KENNEDY, and knowing the great leadership that he and Senator JEFFORDS, chairman of the HELP Committee, have provided on education, it is very good for the American people to recognize how important education is to those of us at the Federal level. Education is not just a Federal responsibility; it is primarily a State and local responsibility.

The actions that have been taken so far and will be taken in the days to come will result in the Federal Government being there to be of help and assistance to local schools, to parents, and, most importantly, to students in getting a good education. Indeed, all of

us can agree that ensuring that our children receive the best possible education is one of the most important responsibilities to the people in our States and all across America.

Quality education, why do we care about it? Because a quality education is absolutely necessary for our children and all children across this country to be able to compete, succeed, and lead a fulfilling life. It is key for their future success, personally and professionally. It allows them, with a good education, economic freedom and financial security. A good education allows someone greater career opportunities and choices and mobility. It also allows them to provide for themselves financially as well as for their family. Education also is very important to society and for our American civilization to compete and succeed internationally.

I was made chair of the Senate Republican high-tech task force. One of our key policy agenda items is in promoting education and technology. I quote from our policy agenda:

> Without a workforce fully capable in math, science and computing skills, our competitiveness is at risk. Without a consumer base able to utilize the latest technological advances, our economic growth may wane. The task force believes that a top priority in education should be the development of policies that encourage the use of technology.

I speak as a father. I speak with my previous experience as Governor and also as a candidate with certain promises I made to the people of Virginia, should I be elected, in the area of education. We talked about the need for more teachers, allowing the localities to determine what those needs would be as far as funding for teachers, whether they use increased salaries for existing teachers, pay stipends for math and science teachers; whether it is hiring more teachers; that is important to reduce class size so children in the early grades get more individualized attention. There is action, activity so far on this measure and will be in the days to come to improve it.

The early reading initiative, which we started in Virginia, is part of the package. It is very important to make sure youngsters at the earliest grades—kindergarten, first and second—are reading at speed. Of all the academic subjects, nothing is more important than reading. We have testing in Virginia, as do many other States. Testing and standards are very important for identification of children who need additional help as well as giving parents a school performance report card.

I agree with the outstanding amendments Senator JEFFORDS put forth last week to make sure the Federal requirement of testing in a couple subjects would not become an unfunded mandate. What we ought to do is empower and help local schools, certainly not add unfunded mandates. Senator JEFFORDS' leadership in that regard was essential, and, fortunately, it passed overwhelmingly.

Another good thing about this measure so far is that it seems the Federal Government is trusting localities and States with greater flexibility to identify what their specific needs are in that particular school district. That is important.

Now, in addition to all of this, the President has gotten involved, so obviously it has been a priority. The House and Senate have been involved, and we have made it a priority.

As important as our local school boards and State governments and the Federal Government are, parents are important. For a good student, you will find that you need good teachers, yes, and they need to be in a good environment. But also key is good parents.

I want to take this opportunity to focus on increasing access to technology for those students in grades kindergarten through 12th grade.

We all understand, and I think the Presiding Officer today sure understands, how technology has fueled the unprecedented growth and transformed the way Americans conduct business and communicate with one another. As the global economy brings in new opportunities and greater prosperity, all families will need ready access to the technical and technological skills and tools necessary for students to succeed in a classroom and also in the digital economy.

Together schools, communities, and government have worked to bring computers to the classrooms and integrate technology into daily classroom curriculums. Classroom connectivity has soared from 14 percent in 1996 to 63 percent in 1999. When I was Governor, we finally were able to get the Goals 2000 money and put it into Network Virginia, to connect all our colleges, community colleges, and schools. So that has been going on across the country.

The Elementary and Secondary Education Act provides a separate funding stream for teacher technology training, which is important. There are tax incentives for companies to donate computers to schools. That is going on in Virginia and across the U.S. However, it is not enough that there be a computer present in the classroom or in a community center. I think it is great what Intel is doing with the Girls and Boys Clubs with their computer club houses. That is really good. But I also would like to see people have computers at home. Only through consistent access to technology can students develop the necessary technical skills to succeed and compete in the future marketplace and economy. Children must have access to the Internet at home so they can better complete afterschool homework. If you want the children to be able to have access to information or to do word processing, all that ought to be done on a computer at home, and they should not have to go to the school or a library or a community center.

The homework assignments are done after school and on weekends, and I think also by having the children working on computers at home, that increases their programming and technological skills. It also allows them to discover additional academic opportunities. There are some great educational software programs in geography, history, math, science, and the language arts, which all go at the pace of the student who is on the computer. E-books are coming around and that is another way of having children get interested in reading in a more easy way.

All of this, again, is gathered at the pace of the students. Studies have shown that the presence of a computer in the home has a positive impact on a student's level of academic achievement and performance in the school. For example, a study using NAEP data found that eighth graders who use computers frequently at home demonstrated higher levels of academic achievement than those who do not. Parents in those situations became more involved with the daily assignments, and it also increases their communication with teachers through the use of e-mail.

There was a study in a New York project where children actually were given laptops, personal computers—they weren't just in the classroom and the library—and they were allowed to bring the personal computers home. The training was provided in this project in New York. Not only did it increase academic performance, but it had long-term benefits. The results were that the participants were more likely to stay in school, graduate, and go on to college.

Earlier this year, with the support of my colleagues, Senators WARNER, ALLARD, HUTCHINSON, CRAIG, and HUTCHISON, I introduced the Education Opportunity Tax Credit Act, which would provide financial relief for the purchase of technology and tutorial services for K–12 educational purposes. My proposal would provide a $1,000 tax credit per year, up to $2,000 per family, for the cost of their children's education-related expenses—specifically computer peripherals and computer-related technology, educational software, Internet access, and tutoring services. However, the tax credit would not apply toward the cost of private school tuition.

This proposal would significantly help defray the cost of educational expenses by empowering families financially and thereby increasing educational spending, which would mostly be on technology. Even more important, the education opportunity tax credit would improve the quality of educational experiences for students by allowing families to provide their children with access to a far greater range of educational opportunities suited to their individual needs. It would encourage parental involvement in their children's education. Indeed, parents are the ones who know their childrens' needs, know their names, and know their specific problem areas, and we

need to empower parents. Furthermore, this idea of providing this tax relief for the purchase of educational technology would also help bridge the digital divide. It is very important that everyone has an equal opportunity—whether it is tax policies, regulatory policies, or educational and technological policies—so that everyone can seize the opportunities in this digital age and this information technology economy.

Mr. President, the amendment I am introducing today would provide for a sense of the Senate in affirming how important it is that we increase opportunities for home access to technology for school-age children. While I am unable to offer the education opportunity tax credit to S. 1 because tax provisions cannot generally be added to a program authorization bill, by voting to support this sense-of-the-Senate amendment, we will be setting the foundation for future progress on this important matter.

Generally, I believe we are on the right track, for the most part, on educational reform at the Federal level with this bill. There is more trust and decisionmaking at the State and local levels. There are more funds and will be more funds for teachers, early reading initiatives, and protecting against unfunded mandates. This is due in no small part to Senators JEFFORDS and GREGG and other Members and the White House and leadership from both sides of the aisle.

Remember how we get a good student: You need good schools and parents.

We need to not only thank the leaders in the Senate for the good work they are doing but also make sure that we don't forget the parents. We need to empower parents to provide these technological educational schools for their children so their children have the same opportunities as all children, and also make sure that our country can compete and succeed. As we move forward on educational reform, I am confident that we will also be able to increase access to education-related technology for all children in their homes and pass the education opportunity tax credit into law.

I believe if we work on both sides of the aisle, we would understand that children need to have computers at home, access to the Internet, and the world of information that comes from having an individualized Library of Congress right there at home for our children. I thank the Chair and I thank the chairman of the committee for allowing me this time to speak on this amendment. I thank Senator KENNEDY also for yielding some time. I yield back the remainder of my time.

Mr. JEFFORDS. Mr. President, I thank the Senator from Virginia, who has given us an excellent understanding of what he has done. I think he has done a tremendous job for the State of Virginia. I have looked at his record and have listened to him and realize that he has made great contributions to the State of Virginia, and now he is here to assist us. So I praise him for this amendment. I will ask to have it set aside for a later vote, but I commend him for what he has done and I look forward to working with him.

Mr. President, I ask unanimous consent that the amendment be set aside.

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

Mr. JEFFORDS. 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. KENNEDY. 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. KENNEDY. Mr. President, earlier I briefly commented on the importance of having a well-qualified teacher in every classroom. We will be asking the Senate to vote for increased funding for that tomorrow.

I hope those who are thinking about this amendment will review the excellent TIMSS 1999 eighth grade mathematics benchmarking report. These are findings for the United States and internationally. It is the leading authority of what is happening in classrooms in mathematics in the United States.

It states clearly on page 7:

> Research shows that higher achievement in mathematics is associated with teachers having a bachelor's and/or master's degree in mathematics. According to their teachers, however, U.S. eighth-grade students were less likely than those in other countries to be taught mathematics by teachers with a major area of study in mathematics.

It goes on to say:

> The Benchmarking Study provides evidence that some schools in the U.S. are among the best in the world, but that a world-class education is not available to all children across the nation. The TIMSS index of home educational resources (based on books in the home, availability of study aids, and parents' education level) shows that students with more home resources have higher mathematics achievement. Futhermore, the Benchmarking jurisdictions with the greatest percentages of students with high levels of home resources were among the top-performing jurisdictions, and those with the lowest achievement were four urban districts that also had the lowest percentages of students with high levels of home resources. These and other TIMSS 1999 Benchmarking results support research indicating that students in urban districts with a high proportion of low-income families and minorities often attend schools with fewer resources than in non-urban districts, including less experienced teachers, fewer appropriate instructional materials, more emphasis on lower-level content, less access to gifted and talented programs, higher absenteeism, more inadequate buildings, and more discipline problems.

What have we done with our legislation? I mentioned the other day, a point of reference about the excellent book ''What Matters Most: Teaching for America's Future,'' the report of the National Commission on Teaching & America's Future, September of 1996. Hopefully, people following these issues in the debate will take a few moments and read through this compelling report. It is an excellent document. This, along with the hearings we had and the representations from Secretary Paige and the administration, gave very good structure for strengthening our Nation's teaching force.

We have 750,000 teachers who do not have degrees in the subject matter they are teaching. This is how we try to address that.

Part A of BEST will ensure there are more highly qualified teachers in the neediest schools because more teachers have access to high-quality professional development. We have a strong definition for a qualified teacher. All highly qualified teachers are teachers who have an academic major in the arts and science or have demonstrated competence through a high level of performance in core academic standards and are certified or licensed by the State. That is a very strong criteria to be met. We are going to insist on having a high standard and high quality teacher teaching the children.

The BEST Act ensures that professional development and mentoring activities are research-based and high quality. Mentoring support for teachers is absolutely essential and key. The continued development for teachers in terms of professional development is important. We require professional development activities as an integral part of the broad school-wide and district-wide educational improvement plans. We make sure that it is intensive, sustained, and school-based.

Those are the elements of effective professional development programs. They have to be intensive. We cannot have just 1 day, 2 days, a few days at the end of the year or a few days at the beginning of the year. They have to be sustained, intensive, school-based, of high quality and sufficient duration to have a positive and lasting impact on classroom instruction. Too often we have the one-time workshops based on the best research designed to help teachers continue to improve the practice of teaching and developing instructional skills.

The BEST Act ensures that professional development activities are aligned with State content standards, student performance standards assessment, and the curriculum and programs are tied to those standards at the local level.

That is the key. One of most important aspects of school success is the presence of highly qualified, highly competent teachers working in the development of a curriculum, teaching the curriculum, and the students are then examined on that curriculum, finding out what the student does not know, providing the supplementary services available.

That is as clearly stated in the legislation as we could. This is very important and is one of the most important

parts of the bill. It guarantees funds for professional development and mentoring. To date, we have not been guaranteeing the funds for professional development.

The BEST Act moves to ensure that all teachers in schools with 50 percent of poverty or higher are highly qualified in 4 years. I welcome that language. That is putting a challenge to the Congress: Are we going to provide the resources to make sure we have the highly qualified teacher that will teach in these urban areas or rural areas, where we have the high percentage of needy children?

We are committing ourselves. If we are going to commit ourselves to getting well-trained teachers, we have to provide the resources. That is what this amendment does. It holds all States accountable for ensuring all teachers are qualified, and if we hold the States accountable, we have to provide the resources and require States to provide assistance to teachers in schools. It ensures teachers receive professional development to help students reach higher standards.

Requiring professional development helps all students, including those diverse racial and ethnic students, students with disabilities, students with limited English proficiency, meet higher standards.

The States are required to set the performance goals that include the annual increase and the percentage of highly qualified teachers that schools with 50 percent of poverty or more are highly qualified within 4 years. The States have to set their goals and know at the beginning of this walk that we are going to walk the walk with them, that we will provide the resources.

How do we expect the States to accept this responsibility if we are not going to provide the resources? We expect in their plan that the States are going to have to have accountability as well. States that do not meet this goal in 4 years will lose 15 percent of their administrative funds and risk increased sanctions in the following years.

We are asking everyone to be responsible and to be accountable. We are asking the States, the schools, and the students to be accountable.

The last question is whether we are going to be responsible. The way we are going to be responsible is supporting this amendment which will, hopefully, establish the guideposts for sufficient funds for the training of teachers and professional development.

My amendment effectively is a sense of the Senate that the Congress should appropriate the $3 billion authorized in the BEST Act for improving teacher quality, and authorizes a $500 million increase per year for the subsequent 6 years, 2003 to 2008. I hope this amendment receives a strong bipartisan vote in the morning.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. VOINOVICH). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEFFORDS. 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 Vermont.

AMENDMENT NO. 372

Mr. JEFFORDS. Mr. President, tomorrow the Senate will vote on the amendments now pending, including an amendment offered by Senator CRAIG that will deny increases in funding under the Elementary and Secondary Education Act if a State fails to make adequate yearly progress as defined by the BEST Act. That is the Education Act on which we are working.

This amendment by Senator CRAIG addresses a very important issue—accountability for results—the issue on which we spent the bulk of our time working when crafting S. 1.

There is already a mechanism for holding States accountable in S.1. Keep that in mind. We already have a provision for that.

In title VI, part B, if a State fails to meet its goals for adequate progress in improving student achievement, the Secretary must reduce the funds available to that State in succeeding years.

I should add that there are also accountability provisions directly related to student performance at the school and district levels.

It does not make sense to reduce the overall funding to a State, when in fact some schools and districts may be doing a good job and others are not.

S.1 targets sanctions to where the problem exists.

In other words, if one school in a district is doing well and another is not, we have focused our school improvement activities on the school that is not doing its job to improve achievement.

Similarly, if one district in a State is excelling and another is not, raising the achievement of all its students, then under our bill, the poor performing district would be sanctioned.

Under this scenario, with these school and district level accountability provisions in place, it would not make sense to reduce the funding of all the schools and districts by reducing the grant to the State.

Instead, as I mentioned earlier, under S.1, a State not making its performance goals would only be sanctioned based on the funds it is allowed to keep at the State level, not to hurt the individual district.

I can assure the Senate that these funds are very important and valuable to States, and their loss will certainly be something that States will work hard to avoid.

The Craig amendment would dramatically expand the sanctions already spelled out in the bill and would result in a disproportionate penalty, in my view.

My colleagues should not be under any illusion that only a few States will fail to make adequate yearly progress. Of the 18 or 19 States we have looked at in an informal survey, nearly three quarters would have failed last year, and the handful that did not fail outright might do so with disaggregated data.

I appreciate my colleague's interest in driving change at the State and local levels, but I think the President's proposals, incorporated in the BEST Act, offer a more precise means of doing so in the years ahead.

Adoption of the Craig amendment, by contrast would stop dead in their tracks the President's testing and reading initiatives. I hope the Senate will resist the Craig amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Madam President, I ask unanimous consent that the pending amendment be laid aside.

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

AMENDMENT NO. 382 TO AMENDMENT NO. 358

Mr. KENNEDY. Madam President, I send an amendment to the desk on behalf of Mr. DODD.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY], for Mr. DODD, proposes an amendment numbered 382 to amendment No. 358.

The amendment reads as follows:

(Purpose: To remove the 21st century community learning center program from the list of programs covered by performance agreements)

On page 752, line 7, strike ''F or''.

Mr. KENNEDY. Madam President, I ask unanimous consent that the amendment be temporarily laid aside.

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

Mr. DORGAN. Madam President, I ask unanimous consent to speak in morning business for 5 minutes.

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

THE PROPOSED WORLD WAR II MEMORIAL

Mr. DORGAN. Madam President, I ask unanimous consent to have printed in the RECORD a news article by Benjamin Forgey from the Washington Post dated May 5, 2001, about the World War II memorial that is proposed to be built on The Mall between the Washington Monument and the Lincoln Memorial.

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

[From the Washington Post, May 5, 2001]

AN OVERDUE HONOR FOR WWII VETERANS ONCE AGAIN IS UNJUSTLY IN THE LINE OF FIRE

(By Benjamin Forgey)

Veterans of World War II ought to be fighting mad right about now.

Bad luck and a bad case of nerves on the part of a federal agency may delay the World War II Memorial on the Mall—possibly for years. This, after 22 public hearings, four approving congressional laws and six years of give-and-take had produced a fine, ready-to-build design.

In an extraordinary vote Thursday, the National Capital Planning Commission put itself in a position to reverse all of its previous approvals of the memorial—of the prominent site between the Washington Monument and Lincoln Memorial, the design concept that embraces the site and the details of the design.

In essence, the commission is proposing to subject the folks who sponsored the memorial and raised more than $100 million to a bureaucratic form of double jeopardy. The site has been dedicated and millions of dollars have been spent to prepare the approved design. In addition to dealing with a pending lawsuit brought by steadfast opponents, the American Battle Monuments Commission, the memorial's official guardian, must now gird itself to go through the contentious process another time.

This could be a mere formality, if after hearing a day of pro and con pubic testimony at a special session on June 13 the commission simply votes, in another special session the next day, to reapprove its prior approvals. However, so clear and easy a solution seems highly unlikely. Four of the 12 commission members, including Chairman Richard Friedman, are new since the agency took its last vote on the memorial five months ago. (One of the seats is currently vacant.)

More likely, the commission will ask for changes in the design. Even if the alterations are limited, it could take, say, 12 months to get them through the reviewing process again. Law requires approval of any changes not only by the planning commission but also by the Commission of Fine Arts and the secretary of the interior—usually a difficult, time-consuming process.

In a year, more than 400,000 aging World War II veterans will die.

Then there is the possibility that the commission will reverse itself completely by rejecting the design concept and the site, which was sanctioned by both commissions five years ago after a thorough consideration of alternative locations. If this happens, selecting another site, designing a new memorial and getting the necessary approvals could take five years or more.

In five years, more than 2 million World War II veterans will die.

If this seems as preposterously unfair to you as it does to me, we are in the same club as Tom Hanks, who says as much on those touching it's-about-time television spots as spokesman for the national memorial. Such delays are unconscionable. The veterans—and, in fact, the entire World War II generation—deserve dignified commemoration while some are still alive to hold their heads high.

This is particularly so in view of the time and talent already spent in quest of a fitting location and design for the memorial. I do not mind saying this again: The site could not be better—on the central axis of the Mall at the eastern end of the Reflecting Pool, with the Lincoln Memorial to the west and, to the east, the Washington Monument and the Capitol. Alone among events of the 20th century, World War II deserves commemoration on this symbolic holy ground of the American democracy.

The genius of the design by Friedrich St. Florian, the Austrian-born Rhode Island architect who six years ago won the national design competition for the memorial, is how splendidly it fits the contours of this impressive site. Taking its primary cues from circular ends of the existing Rainbow Pool and the cupping rows of elm trees that frame the great vista, the memorial honors its honorific place on the Mall.

But it is worth noting that St. Florian's design did not do so at the beginning. In response to the overblown requests of the Battle Monuments Commission—asking for a museum-size undergrown exhibition space, among other things—the first design was impressive, but predictably overblown. It got a rough going-over from both reviewing commissions and, gradually, was whittled down and fitted elegantly into the landscape.

All of this patient, productive back-and-forth process may now prove to have been useless. In part, the fact that the commission is even considering reversing itself is due to a mere technicality—or just really bad luck.

Three of the board's five previous approvals of various facets of the memorial have been called into question because former chairman Harvey Gantt continued to work after his term officially had expired, awaiting a replacement. This is a common administrative practice and usually is covered explicitly in legislation. Yet somehow, back in the 1970s, that language was dropped when the planning commission's authorizing law was rewritten, and nobody noticed until now.

This seems a thin excuse for revisiting even the ''questionable'' votes—covering preliminary and final memorial plans. It offers no pretext at all for reviewing the commission's crucial, positive votes taken before Gantt's term expired—on the design concept (its style, philosophy and general configuration) and the site. But after Thursday's vote, that is where we could be headed.

A series of questions come immediately to mind. Was Thursday's vote wise? Was it even necessary? Should not some other body—the Justice Department, Congress—decide on the legality, or lack of it, of the previous chairman's votes before anything else is done? Then, what about all the other issues the commission decided during Gantt's interregnum—for instance, the controversial Washington Convention Center?

Of course, something good can result from the new hearings in June, as well as the ''balanced'' panel of architects, urban designers and landscape architects the commission seeks to convene later this month. (May 23 is the tentative date.) There is a lot to be said, after all, for hearing all sides of a story, even if the arguments are the same ones we've been listening to for years.

So far, the site and the design have proved strong enough to withstand hostile criticism—and probably this will happen again. The memorial is not misplaced, as its opponents contend, and most fair observers can see this. It does not close off the Mall, as critics have said. Rather, it adds something important to the vista. It is not Nazi architecture—the most hateful of the attacks—but, like much else in Washington, it is part of a 2,000-year-old tradition of classical architecture.

It is not a perfect design, to be sure, but changes, if any, should be considered very, very tenderly. As in all very good designs, each part is intimately related to the others. You cannot just rip a hole in the memorial to ''open the Mall,'' for instance, without affecting the delicate, finely wrought balance of the whole.

But the special reason to proceed with caution here is the human costs of further delay. Like the movement to build Civil War memorials throughout the North and South in the late 19th and early 20th centuries, the impetus to construct a national World War II memorial gained strength as the wartime generation began to disappear.

The Veterans Administration provides these sobering statistics. Of the 16 million American men and women who served in uniform during World War II, about 5 million are alive today. In 2004—the earliest date the Mall memorial could be dedicated if everything proceeded smoothly—3.8 million veterans will be left. For every year after that—well, you do the math.

Mr. DORGAN. Madam President, I recall when Tom Brokaw wrote his book, ''The Greatest Generation,'' I picked it up in an airport and began reading and marveled once again at the dedication those young men, and some young women, in the 1940s, expressed to this country. They dedicated their lives to beating the fascism and nazism exhibited by Adolf Hitler. They kept the free world free. Many paid for it with the ultimate sacrifice—their lives.

It has been proposed for some long while to build a memorial on The Mall of the U.S. Capital to those World War II veterans. That World War II memorial has been in the planning stages forever, and the National Capital Planning Commission is proposing to reverse previous approvals of the memorial and once again delay construction of this memorial.

The people who sponsored this memorial have raised more than $100 million from private sources. The site has been dedicated. In addition to dealing with the pending lawsuit by opponents, they must now—these folks who have worked on this for so long—gird themselves to go through the contentious battle one more time.

This year, more than 400,000 aging World War II veterans will die. Sixteen million American men—mostly men—and some women, served in uniform during World War II. Of those 16 million, about 5 million are now alive.

In 2004, which is the earliest date the World War II memorial could be dedicated if everything proceeded smoothly, about 3.8 million veterans of that was will be left. As the article suggests, do the math. We need to move aggressively to see that the lasting contribution these men and women made for their country is recognized by building that World War II memorial.

I have told my colleagues previously, of a discussion I had with a member of the European Parliament about 2 years ago, in which we were discussing some differences between the United States and the Europeans. He stopped me at one point and said, ''Mr. Senator, I want you to understand something about how I feel about your country.'' He said, ''In 1944, I was 14 years old and standing on a street corner in Paris, France, when the U.S. Liberation Army marched into Paris, France, and freed my country from the Nazis.'' He said, ''A young black American soldier reached out his hand and gave that 14-year-old boy an apple. I will go to my grave remembering that moment. We

hadn't had much fruit under the nazi occupation for a long while. But I will remember that moment that young soldier handed me an apple.'' He said, ''You should understand what your country means to me, to us, to my country.''

I remember, again, the sacrifice that was made by so many Americans in World War II, the sacrifice made by what Tom Brokaw calls, appropriately, the ''greatest generation.''

It seems to me appropriate that we ask those involved in the planning of this memorial, who are once again trying to evaluate exactly the conditions under which it is built, to allow this to go forward, allow this for the people who have spent the time, planned this memorial, and raised the money to make this happen for the World War II veterans. We owe our veterans that, and we don't owe them further delay. Let's not have further delay. Let's get the memorial built.

BETTER EDUCATION FOR STUDENTS AND TEACHERS ACT—Continued

Mr. MURKOWSKI. Mr. President, our education system is in need of serious reform. Thirty-five years ago, Congress enacted the first Elementary and Secondary Education Act. Billions of dollars have been spent on Title I, the program that is the cornerstone of the federal investment in K through 12 education for disadvantaged children.

However, only 13 percent of low-income 4th graders score at or above the ''proficient'' level on national reading tests. As the recently released results of the 2000 National Assessment of Education Progress show, the reading scores of 4th grade students have shown no improvement since 1992.

Even worse, no progress has been made in achieving the program's fundamental goal, narrowing the achievement gap between low-income and upper-income students. It is obvious that the current system has serious problems and it is time that we make serious reforms.

Some of my colleagues feel that the solution is to throw a huge amount of money at education. I disagree. Yes, education funding should increase, but continuing to expand the current federal system, which is characterized by its many duplicative and ineffective programs is not the answer.

We should be working together to ensure that education legislation establishes real standards for measuring academic achievement, streamlines federal education programs, promotes local flexibility, encourages and protects good teachers, and gives parents of students who are trapped in failing schools the opportunity to seek a better education for their children.

It is time to do something different. Although focusing on curriculum and teaching methods have fueled many of our past debates it is now important to shift our focus to the more general and structural aspects that affect learning. We need to allow parents, teachers, and schools to decide what is best for their children.

I believe that decisions about a child's education should be made by people who actually know the child's name. I do not believe that bureaucrats and politicians in Washington should dictate how states and localities spend education funds. Students in my home state of Alaska face unique challenges due to the diverse population, size of the state, and the isolation faced in rural communities. We need greater flexibility in order to meet our students needs.

The President's education plan demands that states demonstrate student academic gains in reading, and math, as well as progress in reducing the achievement gap between disadvantaged students and their peers. We need accountability so that we can be assured that there's academic achievement. All of the educators that I speak to in Alaska tell me that they are not afraid of accountability. However, they maintain that they need more flexibility to reach high academic goals.

I agree with the President that we should consolidate federal elementary and secondary programs, insist upon high standards and accountability, and allow states and localities the flexibility they need to educate children.

It is time to recognize that we need to do something different. I call on my colleagues to work together to pass legislation that is ''real'' education reform.

EXECUTIVE SESSION

NOMINATION OF JOHN ROBERT BOLTON OF MARYLAND TO BE UNDER SECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY

The PRESIDING OFFICER. The hour of 4 p.m. having arrived, the Senate will now go into executive session and proceed to the consideration of Executive Calendar No. 39, which the clerk will report.

The legislative clerk read the nomination of John Robert Bolton of Maryland to be Under Secretary of State for Arms Control and International Security.

The PRESIDING OFFICER. Under the previous order, there shall now be 3 hours of debate on the nomination.

Under the previous order, there shall also be 60 minutes under the control of the Senator from North Dakota.

The Senator from North Dakota is recognized.

Mr. DORGAN. Madam President, on the John Bolton nomination, I understand that I am to be recognized for an hour.

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Madam President, I ask unanimous consent to give the final 15 minutes of my hour to Senator WELLSTONE.

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

Mr. DORGAN. Madam President, the issue before the Senate is the nomination of the Under Secretary of State for Arms Control and International Security. The proposed nominee is Mr. John Bolton. I don't know John Bolton from a cord of wood, and I have no ill will toward him, but I come to the floor opposing this nomination in the most vigorous way possible.

We have a circumstance in this world where there exist somewhere in the neighborhood of 30,000 to 40,000 nuclear weapons. They exist in relatively few countries. We have a large stockpile of nuclear weapons, Russia has an even larger stockpile of nuclear weapons, and a few other countries are members of the nuclear club. It was demonstrated about a year and a half ago, or so, that both India and Pakistan have nuclear weapons. They don't like each other at all. Each tested nuclear weapons underneath the other's chin. One wonders about the wisdom of that. It demonstrated for all of the world the danger of so many nuclear weapons, the proliferation of nuclear weapons.

So it is our job, it is incumbent upon us in this country, to be a world leader and to stop the spread of nuclear weapons and to be a world leader in trying to reduce the number of nuclear weapons on this Earth. This is our responsibility.

The area of our Government in which leadership is required is that of Under Secretary of State for Arms Control. That is where one would expect to see leadership with respect to arms reductions, arms control talks, and stopping the proliferation of nuclear weapons.

President Bush nominated John Bolton for the job. He is exactly the wrong nominee. He is exactly the wrong person to put in this position. Again, I do not know him personally. But I know of his thinking and writings and how he has expressed himself in recent years about these subjects. I am going to use some of these expressions, quotes, and articles he has written to demonstrate why I think he should not be confirmed by the Senate.

First, he does not have experience in arms control at all. He has never served in an arms control position. He has never been part of negotiating groups involved in arms control talks. He has not even written very much about the arms control subject. But he has expressed disdain for arms control and for those who promote it.

I will relate a couple of those statements. He says:

> America rejects the illusionary protections of unenforceable treaties.

With respect to the Comprehensive Nuclear Test-Ban Treaty, the CTBT, that we debated in the Senate and defeated, regrettably, nearly 2 years ago, he says the supporters of the Comprehensive Nuclear Test-Ban Treaty are ''timid and neo-pacifists.''

Let me explain what the test ban treaty is. We do not test nuclear weapons in this country. We decided and announced 8 or 9 years ago that we were not going to test nuclear weapons, so we suspended nuclear testing.

The Comprehensive Test Ban Treaty has been signed by about 150 countries, it tries to get all of the countries to commit to the position we have already taken: to prohibit nuclear testing; a treaty to stop nuclear testing. This Senate voted against that treaty. It is almost unthinkable. This Senate said no to that treaty.

Mr. Bolton says the supporters of that treaty are ''timid and neo-pacifists.'' He, I guess, disagrees. He, I guess, thinks we should not be involved in a treaty with other countries to stop nuclear testing, despite the fact we have already stopped nuclear testing.

What value is it for us to decide we will not be part of a treaty that stops others from doing what we have already decided not to do? It makes no sense to me.

Mr. Bolton says international law is not really law:

> Treaties are ''law'' only for U.S. domestic purposes. In their international operation, treaties are simply ''political'' obligations.

He says:

> While treaties may well be politically or even morally binding, they are not legally obligatory. They are just not ''law'' as we apprehend the term.

We have been involved in many treaties in this country, most notably and most important to me are the arms control treaties we have negotiated with the old Soviet Union and the arms control treaties we now have with Russia. Mr. Bolton's position is they do not really mean very much; they are just political obligations; they do not mean anything; they have no force and effect in our law.

The arms reduction treaties we have negotiated with the old Soviet Union and now Russia have accomplished a great deal, and someone who discards the notion of reaching these kinds of agreements with other countries, in my judgment, is not thinking very clearly about what our obligation ought to be with respect to stopping the spread of nuclear weapons and trying to reduce the number of nuclear weapons on this Earth.

Mr. Bolton also expresses rather substantial disdain for the United Nations. He says:

> The Secretariat building in New York has 38 stories. If it lost 10 stories, it wouldn't make a bit of difference.

He says:

> If I were redoing the Security Council today, I'd have one permanent member because that's the real reflection of the distribution of power in the world [and that member would be] the United States.

Kind of an elitist attitude.

He has expressed disdain for some of our allies for positions they have taken. He has accused Premier Chretien of Canada of ''moral posturing.''

The Sun, a British newspaper, says Bolton is ''one of Tony Blair's strongest critics.''

He says the proposed European defense force is a ''dagger pointed at NATO's heart.''

He says:

> Europeans can be sure that America's days as a well-bred doormat for EU political and military pretensions are coming to an end.

Mr. Bolton gloated after the vote on the Comprehensive Nuclear Test-Ban Treaty in the Senate:

> The CTBT is dead.

Mr. Bolton has been highly critical of the agreed framework under which North Korea pledged to freeze its nuclear weapons program. He says ''the United States suffers no down side'' if we never normalize relations with North Korea.

South Korea and Japan, two friends of our country, certainly do not agree with that.

His position that we should give diplomatic recognition to Taiwan contradicts several decades of official American policy.

He says we have no vital interests in Kosovo or the rest of the Balkans. He says:

> The problem with Kosovo now is precisely that we do not have concrete national interests at stake, and we are off on a moral crusade. I think there's more than one moral principle in the world, and one moral principle I think we are ignoring in Kosovo is that the President should commit American forces to battle, and possibly to death, only when there is something that matters to us.

The genocide that was occurring in that region was stopped by U.S. intervention. I was as uncomfortable as anyone in this Chamber when we committed troops for that purpose. I understand there is risk. The fact is the genocide was stopped. The killing was stopped and the tens of thousands of people whose lives were saved would not share Mr. Bolton's evaluation of our response to the difficulties in Kosovo.

This President sends us Mr. Bolton's nomination at a time when he is proposing we abandon the ABM Treaty. He did not say it quite that way last week, but his previous statements suggest the ABM Treaty is really of no value and that it ought to be abandoned. And make no mistake, this administration is prepared to and on the road to abandoning the ABM Treaty.

Its first priority is to build a national missile defense system, wants to abandon the Kyoto treaty, and wants to suspend missile talks with North Korea. It opposes the International Criminal Court and International Landmine Convention.

If one listened to President Bush's presentation about a week ago at the National Defense University, one might wonder why he nominated John Bolton. He describes national security policy in moderate terms, talks of consultation and cooperation, and these are concepts that seem totally alien to all the work I have seen expressed by Mr. Bolton in quotes, articles, so on.

Last Friday, an article in the Washington Post by the columnist Charles Krauthammer reveals, I think, the real agenda President Bush and also Mr. Bolton aspire to manage. As Mr. Krauthammer puts it, ''the Bush Doctrine abolishes arms control.''

These quotes from Mr. Krauthammer's article are instructive:

> The new Bush Doctrine holds that, when it comes to designing our nuclear forces, we build to suit.

In other words, it does not matter what other countries think. It does not matter what our agreements are. It does not matter what circumstances exist in the rest of the world. It does not matter if what we do ignites a new arms race. What we do ought to suit ourselves, and it does not matter the consequences.

> Nor does the Bush administration fear an ''arms race.'' If the Russians react to our doctrine by wasting billions building nukes that will only make the rubble bounce, let them.

That is saying let us stop this effort to reduce nuclear weapons. Let us build a national missile defense system, and if that ignites a new arms race and we see Russia and China building new offensive weapons, so be it; it does not matter at all.

That is, in my judgment, a pretty thoughtless approach. It does matter. Those who want to see the United States be a leader in stopping the spread of nuclear weapons and reducing the number of nuclear weapons through arms control agreements do believe it matters what we do and believe it matters how others react.

''If others doesn't like it, too bad.'' This is a fascinating article by Mr. Krauthammer evaluating the approach of the administration and probably underlines why Mr. Bolton is the nominee.

I don't accuse Mr. Bolton of being of bad faith or ill will. He is just wrong on these issues. This country is making a very big mistake by putting someone with his viewpoint over at State as Under Secretary of State for Arms Control.

Now I will talk about the effect of some of these policies. I will not speak at great length about national missile defense, but we have a threat chart from the Department of Defense, and about the least likely threat we face is an ICBM with a nuclear warhead from a rogue nation or a terrorist. A far more likely threat is a pickup truck with a nuclear bomb. That is a far more likely threat.

The national missile defense being proposed by the President, even if it abrogates and scraps the ABM Treaty, will be kind of a catcher's mitt, put in the sky to catch nuclear missiles that might be fired at us. However, people should understand they are only talking about catching a few missiles because any robust attack could not be defended against by this system. It is designed to defend against someone who will send one, two, three, four, or

five missiles. But it will not defend against an accidental nuclear launch by a Russian submarine where they unload all the tubes. It will not defend this country against that. And it puts all our eggs in this basket and ignores the far more likely set of threats.

It is far more likely, if we were to be terrorized by a rogue nation or terrorist state or terrorist group, they would find a delivery device as simple as a pickup truck or a rusty car or a small deadly vial of chemical or biological agents placed at a metro station somewhere. It is far more likely that would represent the terrorist threat using a weapon of mass destruction against the American people. Yet we are determined, absolutely determined, to build a system that will probably cost up to $100 billion and be a catcher's mitt only in circumstances where someone would launch a couple of missiles.

This country, of course, has thousands of nuclear weapons, and this country would vaporize any terrorist group or any country that launched a nuclear attack against this country. That has always been the case. It is called mutually assured destruction.

The new group that has taken power says that is old fashioned, that doesn't work, or, maybe it worked but it won't work in the future because we have new adversaries—presuming the adversaries are willing to attack us and then to be vaporized by a nuclear response from this country.

Somehow, it seems to me that taking apart arms control treaties that have resulted in real reductions of nuclear weapons and delivery vehicles is a step in the wrong direction. It seems to me not caring whether what we do unilaterally will ignite a new arms race and have the Russians and Chinese building new, massive offensive weapon systems is not in this country's best interests. Yet that is where we are headed. It is what this administration talks about, and it seems to me to be part and parcel of the type of thing we will see with the John Bolton nomination.

Let me talk for a moment about a former majority leader of the Senate, Howard Baker, a Republican leader in the Senate, who has done some interesting work on these issues. A bipartisan task force, led by Howard Baker and Lloyd Cutler, working on these issues, said the following:

One of the first national security initiatives of the new President [should] be the formulation of a comprehensive, integrated strategic plan, done in cooperation with the Russian Federation, to secure and/or neutralize in the next eight to ten years all nuclear weapons-usable material located in Russia and to prevent the outflow from Russia of scientific expertise that could be used for nuclear or other weapons of mass destruction.

Baker recently told the Senate Foreign Relations Committee that:

It really boggles my mind that there could be 40,000 nuclear weapons in the former Soviet Union, poorly controlled and poorly stored, and that the world isn't in a near state of hysteria about the danger.

According to the Baker-Cutler panel's report:

In a worse case scenario, a nuclear engineer graduate with a grapefruit-sized lump of highly enriched uranium or an orange-sized lump of plutonium, together with material otherwise readily available in commercial markets, could fashion a nuclear device that would fit in a van like the one the terrorist Yosif parked in the World Trade Center 1993. The explosive effects of such a device would destroy every building in Wall Street financial area and would level lower Manhattan.

The most urgent unmet national security threat to the United States today is the danger that weapons of mass destruction or weapons-usable material in Russia could be stolen and sold to terrorists or hostile nation states and used against American troops or citizens at home.

The national security benefits to U.S. citizens from securing and/or neutralizing the equivalent of more than 80,000 nuclear weapons and potential nuclear weapons would constitute the highest return on investment in any current U.S. national security and defense program.

If we decide, as the President suggests, that we will abrogate the Anti-ballistic Missile Treaty with Russia, Russia would respond by suspending their programs that Baker and Cutler say are so vital, and respond by increasing military cooperation with China, Iran, and others, and suspend plans to further reduce their own nuclear arsenal.

Let me talk about what we have been doing that is successful and why I am so concerned about this nomination. This chart shows what has happened with long-range missile warheads, ICBMs and SS–20s. We have had strategic arms reduction talks that have resulted in a reduction in nuclear warheads and delivery vehicles. The INF and START talks resulted in a reduction of 6,000 warheads from long range missiles. Those 6,000 warheads represented the equivalent of 175,000 Hiroshimas; 175,000 equivalents of a Hiroshima bomb have been dismantled. Thousands still exist.

The question is, Is it moving in the right direction to begin talks and arms reduction treaties and agreements with the Soviets and the Russians, now, that reduce nuclear warheads and delivery vehicles? It seems to me that makes a great deal of sense.

This Congress, and previous Congresses, have funded the Nunn-Lugar program. We appropriate money in order to have the Russians reduce their nuclear warheads and their delivery vehicles according to the agreements we have with them. Because of Nunn-Lugar nearly 6,000 nuclear warheads are gone, 597 ICBMs are gone, 367 missile silos are gone, 18 ballistic missile submarines are gone, 81 heavy bombers are gone.

Here is a picture of a submarine. This is a Typhoon-class Russian submarine. That submarine is now being dismantled by the Nunn-Lugar program. Soon it will not exist anymore.

In fact, I have kept in my desk for some while a small container of copper. This is ground-up copper. This copper comes from wiring from a Delta-class ballistic missile submarine, a Russian submarine.

I ask consent to demonstrate the two pieces I have as a result of these arms reduction programs.

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

Mr. DORGAN. This wiring is ground-up copper wiring from a Russian submarine. We didn't sink that submarine. We weren't at war with Russia. We didn't destroy it. Through our arms reductions program, that submarine is dismantled and now doesn't exist. So I now stand in Washington, DC, holding up ground-up copper wire from a submarine that is now dismantled, a submarine of a former adversary. Does that make sense? A submarine with warheads aimed at American cities now no longer exists.

Or, this is a photograph of a Bear Bomber. This is a Russian heavy bomber. This is a piece of a wing strut from a Russian bomber. We didn't shoot down this bomber. I have this piece of wing strut from a bomber in Russia because we sawed the wings off. We helped pay for sawing the wings off and destroying those bombers. Why did they allow them to be destroyed? Because our arms control agreements with Russia required the reduction of both nuclear warheads and delivery vehicles: missiles, submarines, and long-range bombers. So I am able to hold up a part of a wing strut of a Russian bomber in Washington, DC. We didn't have to shoot it down. All we had to do was help buy some saws to saw the wing off and dismantle that plane piece by piece. That bomber that carried nuclear bombs that threatened our country no longer exists.

Is that progress? I think it is.

So we have what is called the Nunn-Lugar program that we have funded. Despite this success, as I indicated, we have something more than 30,000 to 40,000 nuclear weapons left in the world, the bulk of them in the United States and in Russia. They have a total yield, it is estimated, of somewhere around 6,000 megatons. That is 6 billion tons of TNT. That is the equivalent power of 400,000 Hiroshima-type bombs—400,000 Hiroshima bombs.

The Hiroshima ''Little Boy'' bomb killed about 100,000 people. It was calculated the ''Little Boy'' bomb dropped on Hiroshima produced casualties 6,500 times more efficiently than the ordinary high-explosive bomb.

So the question for us is: Is there more to do in arms control, arms reduction? Is there more to do in stopping the spread of nuclear weapons? Will this country be a leader in those areas?

The answer for me, clearly, is yes. Yet today we consider the administration's nomination to be the Under Secretary of State for Arms Control, Mr. John Bolton, who has little experience in the area. But more alarming in my judgment, is that the expressions he

has made about this subject in recent years suggest that he does not care a whit about arms control.

He seems to believe, as this administration does, that arms reductions are not part of a strategy that makes much sense for this country. Treaties, arms control talks, somehow represent a display of weakness, apparently, and that, if we could, we should just decide to go our own way, build national missile defense, not care what others do in reaction to it, and believe it doesn't matter how many nuclear weapons exist in the hands of the Russians, or how many nuclear weapons and delivery vehicles the Chinese might desire to consider in the coming years. It just doesn't matter, they say.

I think that is a very serious mistake for this country to believe that. In my judgment, it is a very serious policy mistake. I think if ever there is a case of a fox in a chicken coop it is Mr. Bolton's nomination to be Under Secretary of State for Arms Control. He is the wrong person in the wrong place.

Let me conclude as I started. I do not know Mr. Bolton personally, and I do not mean by my presentation to suggest he is not a perfectly good man, perhaps someone who is well educated—bright I am certain. I just feel very strongly, with respect to the consent requirement of the Senate, I want someone in the position of Under Secretary for Arms Control who believes in arms control. I would like someone who believes in a missionary need for this country to provide world leadership in stopping the spread of nuclear weapons. I want someone who has passion about trying to engage with those who have nuclear arms and delivery vehicles in treaties and talks and agreements to reduce the number of nuclear weapons.

I do not suggest we do that from a position of weakness. We clearly do it from a position of strength. But those who suggest what happens in the rest of the world is irrelevant and the only thing that is relevant is what happens here are just plain wrong.

So I will be voting against Mr. Bolton's nomination. I hope others will do so as well. I hope perhaps with that vote we can send a message from this Senate to this administration that this is not the direction the American people want. This is not the direction the American people expect in terms of trying to reduce the threat of nuclear war, trying to reduce the spread of nuclear weapons, and trying to increase the opportunity to reduce the nuclear weapons that exist.

Madam President, I yield the floor. I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. DORGAN. I ask consent to speak in morning business for 5 minutes.

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

THE RELEASE OF VIOLENT OFFENDERS

Mr. DORGAN. Madam President, I have come to the floor repeatedly in recent years on the issue of violent offenders being released from prison early and in behalf of the people they have murdered while they have been on early release from incarceration for previous violent crimes.

I noticed in the last couple of days, once again we had a case—I wanted to certainly give the judges here their due—the case of a fellow named Robert Lee Dyer, reported in the papers. He is from Suitland, MD, arrested almost a year ago, charged with being a principal in the first degree in the shooting death of a man trying to withdraw money from an ATM machine. He was arrested with Antwon Reid, who was charged with murder in the first. Reid plead guilty, and is now serving a life sentence. Mr. Dyer had two bond hearings to determine whether he would be released on bond. The first hearing was before Judge Patrice Lewis. She gave the defense attorney the authority to set up a property bond and come back in 1 week to see if it would be allowed.

At the second bond hearing, Judge Thurmond Rhodes set the bond of $75,000. Mr. Robert Lee Dyer was released. So for $75,000, this fellow, who had been involved in a murder crime, allegedly, was released.

The State's attorney vehemently opposed releasing him on bond. But Judge Thurman Rhodes nonetheless released him. The trial for that was scheduled to begin May 21 of this year. On May 2 of this year, this Mr. Dyer was arrested for killing Jamel Stephon Zimmerman. Dyer was the alleged shooter. It is said that there is a very strong case against him. A new bond hearing was scheduled for today at 1:15 in front of Judge Robert Heffron.

There is something fundamentally wrong when time after time after time people are either released from prison or, in this case, released on bond when we know they are violent. And yet they are released back to the streets to kill again.

I have spoken at great length about the case of Bettina Pruckmayer—and six or eight other cases—a young woman aspiring to begin a new life in Washington, DC; a young attorney, public spirited, working for a nonprofit organization, who pulls up to an ATM machine only to meet Leon Gonzalez Wright to be stabbed over 30 times and killed. Leon Gonzalez Wright had committed murder before, was let out early, picked up for hard drugs while he was let out on probation, and nobody puts him back in jail. Instead, he was walking the streets to kill Bettina Pruckmayer.

That and six or eight other cases I have described is going on all across this country. It is good time for good behavior, and release them early. In this case, don't keep them in jail. Let them post $75,000 where they are on America's streets, and the result is innocent men and women are being murdered.

There is something wrong with the criminal justice system. I think what we ought to do is describe the differences that exist between those who commit violent crimes and those who commit nonviolent crimes. We ought to have people in this country understand that if they commit a violent crime, they are not going to have good time for good behavior. Whatever the judge says, their sentence is going to be that the jail cell number is going to be their address until the end of their sentence, and no good time off for good behavior.

The average sentence served for murder in this country is just over 8 years. The fact is, people are released early for a range of reasons. We know they are violent and they are back on America's streets.

A young woman from my State of North Dakota, who I have spoken about previously, was driving along a quiet road, Highway 2, from Williston, ND, to Minot, ND, one afternoon after attending a League of Cities meeting in Williston. She stopped at a rest stop, and she was unlucky enough that afternoon to be confronted at the rest stop by a violent felon from the State of Washington. He had been let out early and should have been in jail. But he wasn't. He slashed her throat. And while she lay there bleeding, people thought she would die. Someone came along that road that day, and it turned out they had a cell phone. The woman in the car knew something about nursing and she saved Julie's life.

The fact is, that young woman, while her life was saved, is now going through years and years of therapy to be able to talk normally once again. Her throat was slashed very badly when she was assaulted by this felon. He was chased by the police and he committed suicide some miles down the road. But he should not have been on the roads and highways and should not have been threatening Julie Schultz. Yet he was.

It is true of Mr. Robert Lee Dyer, except that if Judge Thurman Rhodes had not let him out on bail he would have been incarcerated. Instead, Jamel Stephon Zimmerman is now dead.

I hope this criminal justice system, judges, prosecutors, and I hope finally this Senate and the House will find a way to pass legislation saying we are going to distinguish between those who commit nonviolent crimes and those who commit violent crimes.

Everyone should understand this. Commit a violent crime, and you are going to spend your time in jail until the end of your term. You are not going to be released early to commit another violent crime against an innocent bystander.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE—S. 1

Mr. CRAIG. Mr. President, I ask unanimous consent that on Tuesday, following the 10:15 a.m. vote on the Bolton nomination, the Senate proceed to the vote in relation to the listed amendments in the following order: Craig amendment No. 372; Kennedy amendment No. 375.

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

ORDERS FOR TUESDAY, MAY 8, 2001

Mr. CRAIG. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Tuesday, May 8. I further ask unanimous consent that on Tuesday, immediately following the prayer, the Journal of the proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate then resume consideration of the Bolton nomination as under the previous order.

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

ORDER FOR RECESS FOR PARTY CONFERENCES TO MEET

Mr. CRAIG. Mr. President, I ask unanimous consent that the Senate stand in recess from the hours of 12:30 p.m. to 2:15 p.m. for the weekly policy conferences to meet.

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

PROGRAM

Mr. CRAIG. Mr. President, for the information of all Senators, the Senate will have 45 minutes to complete debate on the Bolton nomination beginning at 9:30 tomorrow morning. A vote on confirmation of the nomination will begin at 10:15 a.m. with votes on amendments to the education bill stacked to follow. Following votes, the Senate will resume consideration of the education bill. Amendments will be offered and, therefore, votes will occur throughout tomorrow's session.

Senators should also expect votes throughout the week in an effort to make significant progress on the education bill and to complete action on the conference report to accompany the budget resolution.

ORDER FOR ADJOURNMENT

Mr. CRAIG. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order, following the remarks of Senator WELLSTONE.

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

Mr. CRAIG. Mr. President, I think Senator WELLSTONE is expected on the floor soon.

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

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

NOMINATION OF JOHN ROBERT BOLTON TO BE UNDER SECRETARY OF STATE FOR ARMS CONTROL AND INTERNATIONAL SECURITY—Continued

Mr. WELLSTONE. I thank the Chair. I thank my colleagues for their graciousness. I did want a chance to speak about the nomination of John R. Bolton to be Under Secretary of State for Arms Control and International Security Affairs. I thank colleagues for providing me this opportunity. My understanding is that we are going to adjourn soon. I hope I have not inconvenienced everyone.

Mr. President, filling this position is a critical responsibility of the new administration. Crafting the Nation's arms control agenda is a formidable, serious task that directly affects our national security. Moreover, the administration needs to have its arms control team in place as soon as possible. For these reasons, I do not oppose John Bolton's nomination lightly.

As a member of the Senate Foreign Relations Committee, I am convinced that the position of Under Secretary of State for Arms Control and International Security Affairs must be filled with an individual who is committed to advancing the entire Nation's agenda. He or she must carry out arms control responsibilities in the spirit of idealism that characterizes the best tradition of America's public servants.

The individual who is confirmed by the Senate must provide deliberate and thoughtful advice to the Secretary of State, independent of political party allegiance or affiliation. He or she must be objective in his analysis of exceedingly complex issues. He or she must be committed to protecting our national security, to reducing the world's immense stockpile of nuclear weapons, and to making the world a safer place for all mankind.

After careful consideration, I have concluded that John Bolton is not the right man for Under Secretary for Arms Control and Non-proliferation. I believe John Bolton is too conservative and too partisan; his views are too extreme for a position of this importance and he does not represent the kind of bipartisan cooperation needed to advance the Nation's arms control agenda. Finally, I do not believe that John Bolton possesses the requisite arms control experience to carry out the responsibilities of this job effectively.

I want to make clear that I do not question John Bolton's integrity or his commitment to public service. I had a chance to meet with him, and I do not question this at all. He has a long career in senior appointed positions in the administrations of Presidents Reagan and George Herbert Walker Bush. I respect his willingness to serve our Nation again. I recognize the prerogative and responsibility of Presidents to nominate their foreign policy teams. I have supported a majority of the President's nominations. But, I also insist on exercising my constitutional right as a Senator to provide advice and consent to the President's nominations.

I have fundamental disagreements with this nominee on a number of substantive issues. I believe that in this case the gap between the views of the voters I represent in Minnesota and John Bolton's are too wide to ignore. There is ample room in a democracy for a wide spectrum of political philosophy and belief. I believe in the free exchange of ideas. Divergent views make our public debate healthier and our Nation stronger. My opposition to John Bolton is not merely ideological. I believe our primary public official responsible for arms control, nonproliferation, and security policy must make a convincing case that he or she will advance the Nation's agenda in a constructive and positive fashion. To date, John Bolton has come up short in this regard.

First and most important, I am disturbed by John Bolton's views on strategic nuclear policy.

He opposed the Comprehensive Test Ban Treaty, a treaty which I supported, voted for, and believe in. Our failure to approve this treaty effectively scuttles it and leaves the United States as the spoiler in this international effort to curb nuclear testing. The CTBT was the first modern arms control agreement ever rejected. It was defeated in a period of intense partisan bickering and ideological polarization.

Yet, at the time of CTBT defeat, two of my distinguished colleagues, Senator HAGEL and Senator LIEBERMAN, a Republican and a Democrat, wrote in a New York Times op-ed that:

> Our constituents and our allies have expressed grave concerns about our hasty rejection of the (CBTB) treaty and the impact of that rejection on the treaty's survival. They need to know that we, along with a clear majority in the Senate, have not given up hope of finding common ground in our quest for a sound and secure ban on nuclear testing.

I share this belief and I am convinced that is important for the nation's chief

arms control administrator to be on record as favoring strict curbs to nuclear testing.

In the days following its defeat, John Bolton announced that the ''CTBT is dead.'' He characterized proponents of the treaty as ''misguided'' and ''neo-pacifists.'' These remarks ill serve the efforts of many of my Senate colleagues and of thousands of dedicated activists world-wide who are committed to ending the reckless development of nuclear weapons. They are not the kind of remarks that speak well for a member of a new administration.

On another key international agreement on which the Under Secretary of State for Arms Control must advise the President and Secretary of State, John Bolton has not made up his mind. You will recall that on March 29, John Bolton told members of the Senate Foreign Relations Committee that his views on whether the Anti-Ballistic Missile Treaty is in force or not were not fully formed. He asked for time for the ''intellectual heavy lifting'' required to understand this issue. I am the first to admit that the issues raised in the ABM treaty are extremely complex. But is it right to give the consent of the United States Senate to a nominee who has not fully thought out issues that are fundamental to our national security?

On the role of international institutions, John Bolton has been both outspoken and negative. Again, I do not share his views.

He has not supported the critically important role of the United Nations. I agree with him that the U.N. is not a perfect institution. But, it remains the sole forum in which all nations of the world discuss international issues. John Bolton has suggested that we would be better off if the U.N. were decapitated and the top 10 stories of the U.N. building in New York removed. This blanket condemnation of an international body created to promote peacemaking and mutual understanding is discouraging coming from a former Assistant Secretary of State of International Organizations. As a nation, we have a 50-year commitment to the U.N. As a United States Senator, I will continue to insist that we fulfill this commitment.

The nominee to this position should be fully dedicated to pursuing multilateral diplomacy. CTBT is, after all, a multilateral treaty. Increasingly, we live in a multipolar world that requires our senior diplomatic officials to be fully aware and sensitive to the concerns of all nations, including the non-aligned and developing countries as well as first world countries. If our officials do not appreciate this world view, they will not be intellectually equipped to provide sound advice on the conduct of American foreign policy.

John Bolton has asserted (in the 1994 Global Structures Convocation) that ''there is no such thing as the United Nations. There is an international community that occasionally can be led by the only real power left in the world and that is the United States when its suits our interest and we can get others to go along.'' In today's world, these remarks are inevitably seen by the rest of the world as arrogant, confrontational, and condescending. They make it more difficult for the U.S. to provide world leadership. I would suggest that President Bush find a more inspiring leader to serve in the new Administration.

On the issue of trade in conventional arms, I am not convinced that John Bolton possesses the objectivity to provide advice that is always in the best interests of the United States.

The Under Secretary of State for Arms Control is a key player formulating the Administration's policy on arm sales to politically sensitive countries. Foremost of these is Taiwan.

John Bolton would undoubtedly be an aggressive supporter of future sales to Taiwan. In his past writings, he has explicitly supported independence for Taiwan. At the hearings last month, he appeared to back off from this position somewhat. We are left uncertain about what his real views are. For a senior State Department official, this posture is unsettling. When John Bolton sits down to advise the Secretary of State on relations with Taiwan, which view will Colin Powell be getting?

It may be instructive to look at this position in the context of John Bolton's work in behalf of Taiwan. In accordance with disclosure requirements for consideration for this post, John Bolton reported receiving $30,000 from the Taiwanese government for a series of 3 articles he wrote from 1994 to 1996. The articles argued in favor of a U.N. seat for Taiwan. Twice during this period, Bolton testified before the House Foreign Affairs Committee on the same subject.

I am not critical of Mr. Bolton for offering his legal and literary services to the Taiwanese government. That is his private affair. However, I am concerned that his unorthodox pro-independence views on Taiwan plus his acceptance of fees may color his judgment on key issues relating to Taiwan. If not handled in a balanced and deliberate way, arms sales issues have the potential to be destabilizing for the entire East Asian region.

On other issues of international significance, I do not believe John Bolton's views are in the best interest of the United States.

Bolton opposes creation of an International Criminal Court (ICC), which I have supported. Our failure to support the ICC was one of the reasons that the United States was voted off the United Nations Human Rights Commission on May 3, for the first time since the commission was founded under U.S. leadership in 1947.

Bolton supports covert actions to arm and train Iraqi opposition to overthrow Saddam Hussein. I have profound reservations about this approach to eliminating Saddam. Before we back Iraqi opposition groups financially and logistically, we need practical assurances that these groups have the support of the Iraqi people, are capable of using our resources effectively, and are committed to following through with a realistic campaign.

Bolton has written that our approach to the North Korea Agreed Framework is ''egregiously wrong.'' This is an initiative that the Clinton Administration spent years patiently crafting with the North Koreans. It has the support of the Japan and the European Union in addition to the government of South Korea, which is taking courageous steps to reduce tensions on the Korean peninsula. In my judgment, U.S. interests are best served by providing continuity to this approach and not by undercutting the South Korean leadership.

Regarding Kosovo, John Bolton has demonstrated little appreciation of our national interests in resolving the most violent threat to the stability of Europe since the fall of the Berlin Wall. Indeed, Bolton wrote that President Clinton and Prime Minister Tony Blair's justification for military action is ''singularly, and indeed, proudly devoid of any concrete U.S. or UK interests as we traditionally understand the term. Indeed, they justified the instigation of hostilities as a humanitarian intervention.'' In my opinion, our humanitarian interests are always in our national interests. Senior State Department officials should understand this point unequivocally.

John Bolton's work for the Reagan administration has also drawn fire. At the Department of Justice under Attorney General Meese, Bolton earned a reputation for his abrasive and controversial tactics in dealing with Congressional requests for information. I understand from some of my colleagues that he was repeatedly unhelpful, slow to respond, and argumentative. He was reportedly involved in the delay and cover-up of missing documents on several occasions.

As I reviewed my prepared remarks on the nomination of John Bolton, I could not avoid the conclusion that the Administration has proposed a controversial, highly partisan man to perform a job of utmost sensitivity and importance to our national interests. John Bolton's presence in the inner circle of the State Department may actually undercut the promising start of Secretary Colin Powell, who has demonstrated a deft touch and sound judgement in dealing with the our allies and friends around the world. I believe we do the nation no service by confirming the wrong man for this position.

ADJOURNMENT UNTIL TOMORROW AT 9:30 A.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Tuesday, May 8, 2001.

Thereupon, the Senate, at 5:38 p.m., adjourned in executive session until Tuesday, May 8, 2001, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 7, 2001:

DEPARTMENT OF DEFENSE

JACK DYER CROUCH, II, OF MISSOURI, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE FRANKLIN D. KRAMER.

JAMES G. ROCHE, OF MARYLAND, TO BE SECRETARY OF THE AIR FORCE, VICE F. WHITTEN PETERS.

SUSAN MORRISEY LIVINGSTONE, OF MONTANA, TO BE UNDER SECRETARY OF THE NAVY, VICE ROBERT B. PIRIE, JR.

DEPARTMENT OF STATE

STEPHEN BRAUER, OF MISSOURI, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO BELGIUM.