

TITLE III—SMALL BUSINESS  
PROCUREMENTS*Section 301. Expansion of Opportunity for Small Businesses To Be Awarded Department of Defense Contracts for Architectural and Engineering Services and Construction Design*

The Brooks Act was enacted in 1982 and prohibits any small businesses set asides for architectural and engineering contracts valued at \$85,000 or more. No change in this ceiling has been made since enactment of the Brooks Act. This section would increase the ceiling to \$300,000, which would create, almost immediately, new Federal contracting opportunities for small businesses.

*Section 302. Procurements of Property and Services in Amounts Not in Excess of \$100,000 From Small Businesses*

This section would make more contracts valued at less than \$100,000 available to small businesses. Under the Federal Supply Schedule, FSS, at GSA, all agency contracts, requirements, or procurements valued at less than \$100,000 would be made from small businesses.

For contracts for property or services not on the GSA's FSS, the procuring agency would set aside such contracts, valued at less than \$100,000, for competition among small businesses registered on the SBA's PRO-Net and the DoD's Centralized Contractor Registration, CCR, System. There would be a two-year phase-in period. After an initial six-month period, during the first year, 25 percent of the dollar value of all contracts less than \$100,000 would be awarded to small businesses. This would increase to 50 percent in the second and subsequent years.

*Section 303. HUBZone and 8(a) Sole-Source Contracts*

Contracts for property and services made with funds from the "2001 Emergency Supplemental Appropriations Act for Recovery From and Response to Terrorist Attacks on the United States" will be exempt from the ceiling on sole-source contracts under the HUBZone and 8(a) programs. Currently, the ceilings are \$3 million for service contracts and \$5 million for manufacturing contracts.

By Mr. GRAHAM:

S. 1496. A bill to clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator; to the Committee on Finance.

Mr. GRAHAM, Madam President, today I am introducing the Tour Operators Up-front Deposit Relief, TOUR, Act. This legislation codifies a long-standing practice used by the tour operator industry to account for prepaid deposits received in advance of a customer's travel.

A tour operator puts together travel "packages" often involving a number of different elements: airlines, ground transportation, hotels, restaurants, local guides and other services for one or more destinations. Services often include the direct provision of tour components such as motor coaches. The packages are sold to the public, usually through travel agents. Approximately 70 percent of retail travel agent sales involve tour operator packages. A vacation package combines multiple travel elements into an all-inclusive price. A tour is a trip taken by a group of people who travel together and follow a pre-planned itinerary. In both in-

stances, the travel has been planned by professionals whose group purchasing power insures substantial savings. In addition, prepayment covers all major expenses which minimizes budgeting concerns.

Tour operators employ a long standing, universally accepted method of accounting which recognizes deposits as income upon the date of departure of the passenger. This treatment defers income recognition while the customer still has the right to cancel the travel without substantial conditions and prior to the tour operator's performing many of the tasks and making many of the commitments required to insure a timely, safe and reliable trip.

Recently, the Internal Revenue Service, IRS, has adopted a position in selected tour operator audits which would, if generally applied, require virtually all tour operators to change their method of accounting for deposits. The IRS position is that tour operators must recognize deposits as income upon receipt even though they may not incur expenses for months, or in some cases, more than a year. This position is in direct contrast to guidance previously provided by the IRS. Revenue Procedure 71-21 acknowledges that accrual basis taxpayers should be allowed to defer advanced payment for services under certain circumstances but has improperly refused to interpret this ruling to apply to tour operators.

If the IRS continues to pursue its position, it will raise the cost of operations for tour operators. This added cost will be passed on to Americans seeking to travel. Given the difficulties facing this industry in light of the events of September 11, the IRS position is particularly misguided.

The legislation being introduced today clarifies that Revenue Procedure 71-21 applies to the tour operator industry. Under this Procedure, deposits become taxable income on the date the tour departs.

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. 1496

*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 "Tour Operators Up-Front-Deposit Relief (TOUR) Act".

**SEC. 2. METHOD OF ACCOUNTING FOR DEPOSITS RECEIVED BY ACCRUAL BASIS TOUR OPERATORS.**

In the case of a tour operator using an accrual method of accounting, amounts received from or on behalf of passengers in advance of the departure of a tour arranged by such operator—

(1) shall be treated as properly accounted for under the Internal Revenue Code of 1986 if they are accounted for under a method permitted by Section 3 of Revenue Procedure 71-21, and

(2) for purposes of Revenue Procedure 71-21, shall be deemed earned as of the date the tour departs.

## SUBMITTED RESOLUTIONS

**SENATE RESOLUTION 166—DESIGNATING THE WEEK OF OCTOBER 21, 2001, THROUGH OCTOBER 27, 2001, AND THE WEEK OF OCTOBER 20, 2002, THROUGH OCTOBER 26, 2002, AS "NATIONAL CHILDHOOD LEAD POISONING PREVENTION WEEK"**

Mr. REED (for himself, Ms. COLLINS, Mr. TORRICELLI, Mr. BOND, Mr. AKAKA, Mr. BAYH, Mrs. BOXER, Mr. BREAUX, Mrs. CARNAHAN, Mr. CARPER, Mr. CHAFEE, Mr. CLELAND, Mrs. CLINTON, Mr. CONRAD, Mr. CORZINE, Mr. DEWINE, Mr. DODD, Mr. DORGAN, Mr. DURBIN, Mr. EDWARDS, Mr. FEINGOLD, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAHAM, Mr. INOUE, Mr. JEFFORDS, Mr. JOHNSON, Mr. KENNEDY, Mr. KERRY, Mr. KOHL, Ms. LANDRIEU, Mr. LEVIN, Mr. LIEBERMAN, Mrs. LINCOLN, Ms. MIKULSKI, Mr. REID, Mr. SARBANES, Mr. SCHUMER, Mr. SMITH of Oregon, Ms. STABENOW, and Mr. WELLSTONE) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 166

Whereas lead poisoning is a leading environmental health hazard to children in the United States;

Whereas according to the Centers for Disease Control and Prevention, 890,000 preschool children in the United States have harmful levels of lead in their blood;

Whereas lead poisoning may cause serious, long-term harm to children, including reduced intelligence and attention span, behavior problems, learning disabilities, and impaired growth;

Whereas children from low-income families are 8 times more likely to be poisoned by lead than those from high-income families;

Whereas children may become poisoned by lead in water, soil, or consumable products;

Whereas most children are poisoned in their homes through exposure to lead particles when lead-based paint deteriorates or is disturbed during home renovation and repainting; and

Whereas lead poisoning crosses all barriers of race, income, and geography: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates the week of October 21, 2001, through October 27, 2001, and the week of October 20, 2002, through October 26, 2002, as "National Childhood Lead Poisoning Prevention Week"; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe such weeks with appropriate programs and activities.

**SENATE RESOLUTION 167—RECOGNIZING AMBASSADOR DOUGLAS "PETE" PETERSON FOR HIS SERVICE TO THE UNITED STATES AS THE FIRST AMERICAN AMBASSADOR TO VIETNAM SINCE THE VIETNAM WAR**

Mr. MCCAIN (for himself, Mr. KERRY, Mr. GRAHAM, Mr. HAGEL, Mr. NELSON of Florida, Mr. CLELAND, and Mr. CARPER) submitted the following resolution; which was considered and agreed to:

S. RES. 167

Whereas while serving as a fighter pilot in the United States Air Force, Pete Peterson was shot down over North Vietnam in 1966 and captured by the Vietnamese military;

Whereas Pete Peterson was held for 6½ years as a prisoner of war in Vietnam;

Whereas after his return to the United States in 1973, Pete Peterson distinguished himself as a businessman and educator in his home State of Florida;

Whereas Pete Peterson was elected to Congress to represent the 2nd Congressional District of Florida in 1990 and went on to serve three terms;

Whereas Pete Peterson first returned to Vietnam in 1991 as a Member of Congress investigating Vietnamese progress on the POW/MIA issue;

Whereas President Reagan began the process of normalizing United States relations with Vietnam;

Whereas President Clinton lifted the trade embargo against Vietnam in 1994;

Whereas President Clinton normalized diplomatic relations with Vietnam in 1995;

Whereas in 1997 Pete Peterson was appointed the first United States ambassador to Vietnam in 22 years;

Whereas throughout Pete Peterson's tenure as United States Ambassador to Vietnam, the President certified annually that the Government of Vietnam was "fully cooperating in good faith" with the United States to obtain the fullest possible accounting of Americans missing from the Vietnam War;

Whereas Ambassador Peterson played a critical role in the process of building a new and normal relationship between the United States and Vietnam;

Whereas Ambassador Peterson worked tirelessly to encourage the Government of Vietnam to continue its efforts to reform and open Vietnam's economy;

Whereas thanks to Ambassador Peterson's leadership, Congress in 1998 approved a waiver of the Jackson-Vanik restrictions for Vietnam, thus enabling the Overseas Private Investment Corporation and the Export-Import Bank to operate in Vietnam;

Whereas completion of a United States-Vietnam trade agreement was Ambassador Peterson's top trade priority;

Whereas the United States and Vietnam began negotiations for a bilateral trade agreement in 1996;

Whereas Ambassador Peterson's diplomatic efforts throughout the process of negotiation were invaluable to the completion of the bilateral trade agreement;

Whereas in the agreement the Government of Vietnam agreed to a wide range of steps to open its markets to American trade and investment;

Whereas the agreement will pave the way for further reform of Vietnam's economy and Vietnam's integration into the world economy;

Whereas Ambassador Peterson witnessed the signing of the United States-Vietnam Bilateral Trade Agreement on July 13, 2000;

Whereas President Bush transmitted that trade agreement to Congress on June 8, 2001;

Whereas the United States House of Representatives approved the agreement on September 6, 2001; and

Whereas the United States Senate approved the agreement on October 3, 2001: Now, therefore, be it

*Resolved*, That Douglas "Pete" Peterson is recognized by the United States Senate for his outstanding and dedicated service to the United States as United States Ambassador to Vietnam from 1997-2001, and for his historic role in normalizing United States-Vietnam relations.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 1843. Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 2506, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1844. Mr. REID (for Mr. KOHL) proposed an amendment to the bill H.R. 768, an act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes.

SA 1845. Mr. THOMPSON submitted an amendment intended to be proposed by him to the bill S. 1447, to improve aviation security, and for other purposes; which was ordered to lie on the table.

## TEXT OF AMENDMENTS

**SA 1843.** Mr. FEINGOLD submitted an amendment intended to be proposed by him to the bill H.R. 2506, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table; as follows;

On page 143, beginning on line 9, strike "and (3)" and all that follows through the colon and insert the following: "(3) effective mechanisms are in place to evaluate claims of local citizens that their health was harmed or their licit agricultural crops were damaged by such aerial coca fumigation, and provide fair compensation for meritorious claims; and (4) alternative development programs and emergency aid plans have been developed, in consultation with communities and local authorities in the areas in which such aerial coca fumigation is planned, and in the areas in which such aerial coca fumigation has been conducted, such programs and plans are being implemented:".

**SA 1844.** Mr. REID (for Mr. KOHL) proposed an amendment to the bill H.R. 768, an act to amend the Improving America's Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

### SECTION 1. SHORT TITLE.

This Act may be cited as the "Need-Based Educational Aid Act of 2001".

### SEC. 2. AMENDMENT.

Section 568(d) of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) is amended by striking "2001" and inserting "2008".

### SEC. 3. GAO STUDY AND REPORT.

#### (a) STUDY.—

(1) IN GENERAL.—The Comptroller General shall conduct a study of the effect of the antitrust exemption on institutional student aid under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note).

(2) CONSULTATION.—The Comptroller General shall have final authority to determine the content of the study under paragraph (1), but in determining the content of the study, the Comptroller General shall consult with—

(A) the institutions of higher education participating under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note) (referred to in this Act as the "participating institutions");

(B) the Antitrust Division of the Department of Justice; and

(C) other persons that the Comptroller General determines are appropriate.

#### (3) MATTERS STUDIED.—

(A) IN GENERAL.—The study under paragraph (1) shall—

(i) examine the needs analysis methodologies used by participating institutions;

(ii) identify trends in undergraduate costs of attendance and institutional undergraduate grant aid among participating institutions, including—

(I) the percentage of first-year students receiving institutional grant aid;

(II) the mean and median grant eligibility and institutional grant aid to first-year students; and

(III) the mean and median parental and student contributions to undergraduate costs of attendance for first year students receiving institutional grant aid;

(iii) to the extent useful in determining the effect of the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note), examine—

(I) comparison data, identified in clauses (i) and (ii), from institutions of higher education that do not participate under the antitrust exemption under section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note); and

(II) other baseline trend data from national benchmarks; and

(iv) examine any other issues that the Comptroller General determines are appropriate, including other types of aid affected by section 568 of the Improving America's Schools Act of 1994 (15 U.S.C. 1 note).

#### (B) ASSESSMENT.—

(i) IN GENERAL.—The study under paragraph (1) shall assess what effect the antitrust exemption on institutional student aid has had on institutional undergraduate grant aid and parental contribution to undergraduate costs of attendance.

(ii) CHANGES OVER TIME.—The assessment under clause (i) shall consider any changes in institutional undergraduate grant aid and parental contribution to undergraduate costs of attendance over time for institutions of higher education, including consideration of—

(I) the time period prior to adoption of the consensus methodologies at participating institutions; and

(II) the data examined pursuant to subparagraph (A)(iii).

#### (b) REPORT.—

(1) IN GENERAL.—Not later than September 30, 2006, the Comptroller General shall submit a report to the Committee on the Judiciary of the Senate and the Committee on the Judiciary of the House of Representatives that contains the findings and conclusions of the Comptroller General regarding the matters studied under subsection (a).

(2) IDENTIFYING INDIVIDUAL INSTITUTIONS.—The Comptroller General shall not identify an individual institution of higher education in information submitted in the report under paragraph (1) unless the information on the institution is available to the public.

#### (c) RECORDKEEPING REQUIREMENT.—

(1) IN GENERAL.—For the purpose of completing the study under subsection (a)(1), a participating institution shall—

(A) collect and maintain for each academic year until the study under subsection (a)(1) is completed—

(i) student-level data that is sufficient, in the judgment of the Comptroller General, to permit the analysis of expected family contributions, identified need, and undergraduate grant aid awards; and

(ii) information on formulas used by the institution to determine need; and