

To help those workers, my bill also includes a short-term, temporary Medicaid option for individuals and families who are not eligible for COBRA. This is a State option. It is up to the States. They can decide. I propose to give States an enhanced matching rate to encourage States to adopt this new coverage option.

Like the COBRA subsidies, this coverage is available to people who become unemployed after September 11 this year, and like the subsidies, Medicaid coverage will be available for 12 months.

Some say that States cannot afford to take up this option, even with an increased Federal match. I understand that. That point is well taken, and it is one of the reasons I am also proposing to increase the matching rate for Medicaid. By giving States a higher Medicaid match, an F-match, as it is called, States will have an easier time maintaining coverage.

The additional funding may give the States what they need to take up the new coverage option for displaced workers. All told, this may maintain health coverage for millions of people who have lost their jobs or stand to lose them in the difficult months ahead.

I have also heard critics argue my proposal is an indirect way to establish a new entitlement program. It is not. That is not the intention. We are responding to a temporary crisis with a temporary solution. All coverage, whether received through corporate or Medicaid, will be provided on a temporary basis. The program ends after 1 year. It is in the law, black and white, underlined. It is there. It ends in 1 year.

Critics argue the COBRA Program and Medicaid coverage will be slow and cumbersome to implement. First, I disagree. I think we can get the program up and running in short order but not if we wait 6 months for new regulations to be published. My proposal specifically states the program should be implemented regardless of whether a final rule has been published. That is not new. It is not unusual. It is a step that is taken in times of emergency, and I argue the current economic situation dictates we are in such an emergency.

Let us also be candid. There are several competing proposals to provide temporary health care coverage, and they all raise the same issues. Whether we are talking about direct payments, COBRA, tax credits, as some propose, or block grants to States, as the President has suggested, we have to come up with a system that works quickly and works efficiently.

I say let us work on solving these implementation issues together rather than trying to undermine each other or pointing fingers and saying it cannot be done.

Let me conclude by reiterating how important health care coverage is to Americans and how devastating it can be for a family to lose its coverage. I

believe the package of health proposals I have put together will go a long way toward helping those who are truly in need. It will also provide a quick, temporary boost to the economy.

I realize not everyone agrees with our approach, but I do hope we all can agree health insurance coverage is a crucial element of any economic stimulus package. It is the right thing to do, and it is good policy.

I look forward to working with all my colleagues to reach an agreement that keeps our primary goals in mind; that is, stimulating the economy and helping American families.

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. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### MORNING BUSINESS

Mr. REID. I ask unanimous consent there be a period of morning business with Senators allowed to speak for a period not to exceed 10 minutes.

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

#### VA-HUD APPROPRIATIONS

Mr. ROCKEFELLER. Madam President, I was proud to support the entire VA-HUD Appropriations conference report yesterday, including its vital investments for our Nation's veterans. Chairperson MIKULSKI and Ranking Member BOND work hard each and every year to provide investment in a wide range of important agencies and programs, ranging from veterans, to housing, to the National Science Foundation.

This year I am particularly proud of a new investment within the National Science Foundation, NSF, to promote math and science education. Two new programs have been funded: the Mathematics and Science Partnerships program and the Noyce Scholarships worth \$165 million.

Our elementary and secondary students are currently sadly lacking in their mastery of technical subjects. Although our 4th graders are on a par with the rest of the world, by the time they reach the 12th grade they are in the bottom half of countries of the world. This is an intolerable situation. Our United States students come to college ill equipped to study mathematics, science, and engineering. The partnerships and scholarships funded in this package offer the promise of substantial improvement in the performance of our students.

Under the Mathematics and Science Partnerships programs, universities, businesses, and local educational institutions will form partnerships to develop new programs to teach these sub-

jects. These programs will be watched and evaluated and those that are successful will be incorporated into the mainstream of K-12 education.

The Noyce Scholarships will address a different problem. One of the best predictors of student performance is the quality of the teacher. Too many of our teachers of technical subjects are not well qualified. The scholarships will remedy this situation by supporting students of technical subjects who agree to teach two years for every year of support. This will ensure that many of our urban and rural schools that are particularly in need of good teachers will obtain relief.

President Bush proposed the math and science partnerships in his budget. Working with Senators KENNEDY and ROBERTS, I sponsored legislation in the Senate to authorize the Partnerships and the Noyce Scholarships. The House of Representatives has already passed a similar measure introduced by Congressman BOEHLERT. The VA-HUD appropriations package provide the first year of funding and the down payment to start these key programs to improve math and science education, and invest in our future.

I appreciate the support of my colleagues for the entire package, and I am especially pleased about these new investments in math and science education which represent such promise for the future.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. 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.

I would like to describe a terrible crime that occurred July 18, 1999 in West Hollywood, CA. Three men attacked two transgendered women with aluminum baseball bats. The assailants yelled anti-gay epithets during the attack. One of the victims required hospitalization for a head injury.

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.

#### CARGO LIABILITY REFORM

Mr. SMITH of Oregon. Madam President, today I take notice of a recent positive development in the creation of a more modern legal regime for international shipping. I was very pleased to see that America's importers and exporters and the ocean carriers that transport America's international trade reached agreement last month on

the form and substance of international cargo liability reform.

While this is a field with which most of us are at best only vaguely familiar, it has been the subject of intense debate in maritime circles for many years. In fact, draft reform legislation proposed by the Maritime Law Association of the United States was the subject of a hearing in the Senate Commerce Committee in 1998. Similar draft legislation was also reviewed by the Subcommittee on Surface Transportation and Merchant Marine during the last Congress under the leadership of Senator KAY BAILEY HUTCHISON. Because of the inability of the commercial parties to agree on how or whether to proceed with such a proposal, however, the legislation was never introduced.

Last month, the World Shipping Council, representing the ocean shipping companies serving America's foreign trades, and the National Industrial Transportation League, representing American importers and exporters, announced that they had reached agreement on cargo liability reform. They issued a joint statement outlining their agreement and pledged to work through the process to be established by the U.N. Commission on International Trade Law, (UNCITRAL), to assist in the development and ratification of a new international cargo liability convention. The goal of this effort is to produce an internationally acceptable instrument that can be ratified by the United States and our trading partners.

Most parties are in agreement that the U.S. law governing cargo liability, which dates back to 1936, can benefit from being updated, ideally in the context of a uniform international legal regime. What they have not been able to agree on, until now, is what real reform should look like.

The shippers and carriers have also agreed on a reasonable timetable for pursuing an international solution, and the shippers will forego their push for U.S. legislation so long as the international process produces an acceptable convention within this timeframe.

I commend the carriers and shippers for agreeing to set aside their decades of differences on this issue and for trying to help produce an agreement that can be adopted by the United States. I also want to commend my colleague, Senator JOHN BREAUX, for his interest and leadership on this very important issue. As the ranking Republican on the Senate Subcommittee for Surface Transportation and Merchant Marine, which Senator BREAUX chairs, I will work closely with him to keep a watchful eye on this process and to consult with the World Shipping Council and the NIT League, as well as with all other interested parties over the next few years to receive progress reports.

I would also encourage the State Department, the Department of Transportation and other agencies within the U.S. Government that may be involved

in the multilateral negotiating process to consult regularly with the commercial parties and include them directly in the intergovernmental process.

As you can tell, I have two critical goals for this process: one, I want all relevant parties to work together for a commercially and politically-acceptable agreement for our trading partners; and, two, I want the U.S. Government to be a helpful and productive partner in this process. While these negotiations go on, I will be monitoring things closely, and hope that a positive international agreement can come together in the not-too-distant future.

#### THE AMERICAN SMALL BUSINESS EMERGENCY RELIEF AND RECOVERY ACT OF 2001

Mr. KERRY. Madam President, I want to submit for the RECORD a managers' substitute amendment to S. 1499, the American Small Business Emergency Relief and Recovery Act of 2001, which incorporates a number of improvements to the emergency relief provided by the bill as introduced. Senator BOND and I have been trying to bring this up before the full Senate, but, for almost one month since October 15, two senators have been blocking its consideration and passage.

The Kerry-Bond bill is a fiscally responsible and measured response to help small businesses that are struggling because they were affected by the attacks on September 11 or because they can't get loans or venture capital from traditional private-sector lenders and investors who are pessimistic about the economy. This legislation makes loan capital and business counseling available to the small businesses in all of our States, and it does so by tailoring many of the Small Business Administration's, SBA, programs.

Let me draw your attention to changes included in the managers' substitute amendment:

One. For businesses located in a declared disaster area or at an airport, or for small businesses that were closed or suspended for related national security reasons by Federal mandate, they may use the disaster loan proceeds to refinance any existing business debt within the bill's loan caps. For one year after approval of such refinancing, principal payments on such refinancings will be deferred and the small business will be required to make interest only payments. Full payments will resume at the end of that year.

Two. For emergency relief loans under section 7(a) of the Small Business Act, the guaranteed percentage was reduced from 95 percent to 90 percent in response to the Administration's concerns that the government's risk was too high at 95 percent.

Three. The size standard applicable for travel agencies with respect to disaster loans and emergency 7(a) loans under the managers' amendment is increased from \$1 million to \$2 million in average annual receipts.

Four. The SBA Administrator's authority to waive or increase size standards and size regulations is applied to both disaster loans and emergency 7(a) guaranteed loans.

Five. In order to encourage lenders to make the emergency and regular 7(a) loans to small businesses adversely affected by the effects of the terrorist attacks of September 11, 2001, the managers' amendment reduces the on-going lenders' fee from one-half of 1 percent to one-quarter of 1 percent.

Six. The requirement of non-Federal match is waived for the Women's Business Centers program with respect to individualized assistance authorized under this Act.

Seven. It requires the SBA to report to the pertinent House and Senate Committees periodically on its implementation of this legislation.

Eight. The managers' amendment increases the authorization levels for the 7(a) and 504 programs by \$2 billion each, and for the Small Business Investment Company participating securities and debentures programs by \$700 million and \$200 million, respectively, to accommodate increased demand anticipated in the wake of the terrorist attacks of September 11, 2001.

Nine. In the loan term provisions for emergency 7(a) loans, a cap of \$3 million was added for the "gross amount of the loans." This clarifies that the other stated caps apply to the SBA-guaranteed portions of the loans.

Ten. To make clear that Congress expects the SBA to implement these emergency relief provisions as quickly as possible, a section was added requiring SBA to issue interim final rules and implementing guidelines within 20 days of the date of enactment of this legislation.

Eleven. Under the 7(a) stimulus loans, the managers' amendment reduces by half the upfront guarantee fee paid by the borrower, and it establishes a guarantee percentage of 85 percent on all such loans.

Twelve. Under 504 stimulus loans, the managers' amendment reduces by half the annual guarantee fee paid by the borrower, currently .41 percent, and retains the upfront bank fee of 50 basis points, .50 percent.

These are important changes that Senator BOND and I have worked out to make a good bill better. I am very pleased that the Chairman of the House Committee on Small Business, Congressman DON MANZULLO, and Congressman JIM MORAN introduced a bill identical to our managers' amendment on November 6 and appreciate their cooperation throughout this process.

#### ADDITIONAL STATEMENTS

#### THANK YOU TO STAFF FOR PUBLIC SERVICE

● Mr. CLELAND. Mr. President, times of adversity have always been fertile soil in which to find triumphs of the