The House met at 10 a.m. The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

Lord God of history and ever-present, Your call to Abram to leave his place and to move to a place You would show him is truly a call of faith.

Lord, You know it is not easy for us to unplug ourselves or for us to deal with the unknown. There is an inner resistance in all of us to change. We find security in the familiar. Contentment seems to breathe an air of blessedness in being where we are, how we are, and who we are. Yet Your call of faith, O Lord, is a call to change and a constant conversion of heart until we are completely one in You and with You.

Be with all the Members of the United States House of Representatives, the President, and all who serve in government.

Help them to be people of faith and true leaders. May they never be afraid to change themselves or to change the course of history as a response to Your holy inspiration. Give them courage to act upon what they believe, to follow their convictions, and lead others in the ways of faith.

O Lord, in a world of constant change, You alone are reliable now and forever. Amen.

The JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. PENCE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. PENCE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

NOTICE

Effective January 1, 2002, the subscription price of the Congressional Record will be $422 per year or $211 for six months. Individual issues may be purchased for $5.00 per copy. The cost for the microfiche edition will remain $141 per year with single copies remaining $1.50 per issue. This price increase is necessary based upon the cost of printing and distribution.

Michael F. DiMario, Public Printer

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.
The vote was taken by electronic device, and there were—yeas 349, nays 48, answered “present” 1, not voting 34, as follows:

<table>
<thead>
<tr>
<th>Yea</th>
<th>Nay</th>
<th>Not Voting</th>
</tr>
</thead>
<tbody>
<tr>
<td>349</td>
<td>48</td>
<td>34</td>
</tr>
</tbody>
</table>

So the Journal was approved.

ANSWERED “PRESENT”

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PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California (Mr. Issa) come forward and lead the House in the Pledge of Allegiance.

Mr. ISSA led the Pledge of Allegiance as follows:

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

MESSAGE FROM THE SENATE

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

8. 191. An act to amend title XIX of the Social Security Act to clarify that women with breast or cervical cancer who are eligible for health services provided under a medical care program of the Indian Health Service or of a tribal organization are included in the optional medicaid eligibility category of breast or cervical cancer patients added by the Breast and Cervical Cancer Prevention and Treatment Act of 2000.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:


Hon. J. DENNIS HASTERT, Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a facsimile copy of a letter received from Mr. Susan K. Inman, Director of Elections, indicating that, according to the unofficial results of the Special Election held November 20, 2001, the Honorable John Boozman was elected Representative in Congress for the Third Congressional District, State of Arkansas.

With best wishes, I am Sincerely,

JEFF TRANDAHL, Clerk.

Attachment.


Hon. JEFF TRANDAHL, Clerk, House of Representatives, the Capitol, Washington, DC.

DEAR MR. TRANDAHL: This is to advise you that the unofficial results of the Special Election held on Tuesday, November 20, 2001, for Representative in Congress from the Third Congressional District of Arkansas, show that John Boozman received 52,694 and 55.55% of the total number of votes cast for that office.

It would appear from these unofficial results that John Boozman was elected as Representative in Congress from the Third Congressional District of Arkansas.

To the best of our knowledge and belief at this time, there is no contest to this election.

As soon as the official results are certified to this office by all County Boards of Election Commissioners involved, an official Certification of Election will be prepared for transmission as required by law.

Sincerely,

SUZAN K. INMAN, Director of Elections, Arkansas Secretary of State.

PROVIDING FOR SWEARING IN OF MR. JOHN BOOZMAN, OF ARKANSAS, AS A MEMBER OF THE HOUSE

Mr. ARMY. Mr. Speaker, I ask unanimous consent that the gentleman from Arkansas (Mr. John Boozman) be permitted to take the oath of office today. His certificate of election has not yet arrived, but there is no contest, and no question has been raised with regard to his election.

The SPEAKER. Is there objection to the request of the gentleman from Texas?
SWEARING IN OF THE HONORABLE JOHN BOOZMAN, OF ARKANSAS, AS A MEMBER OF THE HOUSE

The SPEAKER. Will the Representative-elect and the Members of the Arkansas delegation present themselves in the well. Will the Representative-elect from Arkansas (Mr. BOOZMAN) come forward and raise his right hand?

Mr. BOOZMAN appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion; and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

The SPEAKER. Congratulations. You are a Member of the 107th Congress.

INTRODUCTION OF REPRESENTATIVE JOHN BOOZMAN

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

Mr. BERRY. Mr. Speaker, I consider it a distinct honor and privilege to be here this morning to present the newest member of the Arkansas delegation to this House. JOHN BOOZMAN has distinguished himself as a son, a husband, a father and a leader. He has meant a great deal to the community he comes from in northwest Arkansas.

He follows a long and distinguished group that have served in that capacity from the Third District of Arkansas, one of those being present this morning, John Paul Hammerschmidt, and we are pleased to have him.

JOHN BOOZMAN and his family worked together to make northwest Arkansas a better place to live and work and raise a family. He has distinguished himself in many ways and will continue to serve the Third District and do a great job for them.

All of the Arkansas delegation is very pleased today to be able to present to this Congress the gentleman from Arkansas (Mr. BOOZMAN), and I think he represents a quote from one of my favorite books written by a fellow named William Alexander Percy:

"1030"

In that he talks about a letter that his father who was a United States Senator from Mississippi wrote to a friend and in it he says, "I guess our job is to make the world a better place in as much as we are able, remembering that the results will be infinitesimal and then attend to our own soul."

I think those are the values that John Boozman will represent as he serves in this House and as he serves his district, the Third District of Arkansas. And so now let me present to you JOHN BOOZMAN.

EXPRESSING GRATITUDE AND THANKS FOR THE OPPORTUNITY TO SERVE AS REPRESENTATIVE FOR THE THIRD CONGRESSIONAL DISTRICT OF ARKANSAS

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

Mr. BOOZMAN. Mr. Speaker, I am honored to be here. I wish to thank the Members for their courtesy and warm welcome. I wish to take a moment to acknowledge my family, my wife, Cathy, of 29 years; my daughters Shannon and Kristine; and my mother, Marie Boozman; and my mother-in-law, Betty Marley. And then also all of the wonderful family and friends that have accompanied me to show support for me today.

I am also fortunate to be joined by two former Members of this illustrious body. Mr. John Paul Hammerschmidt and the senior Senator from Arkansas, Senator Tim Hutchinson.

For 26 years, Congressman Hammerschmidt served the Third District of Arkansas and set a standard of excellence and dedication that the people of the third district have come to expect from all that have succeeded him. I share Congressman Hammerschmidt's immense respect for this institution and the good people that I have been elected to serve.

Senator Hutchinson continued the rich tradition of tireless service to the third district and is doing a wonderful job representing Arkansas in the United States Senate. I look forward to working with him and the rest of the delegation on behalf of our home State.

I also would like to take a moment to thank former Congressman Asa Hutchinson, who recently departed to head the Drug Enforcement Administration. President Bush recognized Asa's talent and selected him to lead the Nation's efforts to eradicate illegal drug use. It is by no means an easy job, but if anyone is up to the task it is Asa Hutchinson.

Mr. Speaker, I am proud to follow in the footsteps of these fine public servants. I am committed to keeping alive the tradition of service and conservatism that have accompanied me to show the wonderful family and friends that have accompanied me to show support for me today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Shimkus). The Chair will entertain 10 one-minute speeches per side.

HONORING ANN MILLER AND TED MALARIAS

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

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to recognize two patriotic Americans from my congressional district today, Ann S. Miller and Ted Malarias. They have written and produced "A Tribute to America—a 21st Century Anthem."

Ann Miller's song is delivered with love and compassion by her son Ted with the help of their publicist, Angel Duke. Thiers is an anthem for all Americans, dedicated to our Armed Forces, to our men and women in uniform, risking their lives every day and for those who need to carry on in this time of crisis.

The lyrics are powerful and uplifting: "Our tears may fall and our hearts may be shattered, but deep down in our souls we are strong. We are proud. We are bold. We have the strength. We have the power no terrorist could withstand. We will not hide. We will not cower. We will stand for the rights of our land. We are America. We are America, America, you are grand."

Please join me in congratulating Ann S. Miller and Ted Malarias, two proud Americans, proud to be serving our country.

WORLD AIDS DAY

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

Mr. FOLEY. Mr. Speaker, since AIDS was first recognized 20 years ago, 58 million people have been affected; and at the current rate of spread, the total will exceed 100 million by 2001.

According to the Centers for Disease Control, there are currently over 900,000 people infected and living with HIV and AIDS in the United States. There are approximately 40,000 Americans infected each year. Worldwide this year there were 5 million new cases, and of that, 800,000 were under the age of 15.

Worldwide there are over 40 million people currently living with HIV and AIDS; 18 million are women and 3 million are children.

AIDS kills more than 7,000 people in sub-Saharan Africa each day. President Bush this year has committed over $200 million to a global fund to fight HIV and AIDS. I have requested additional money along with other Members of Congress to pursue this very worthy goal.

Today we should reflect on those lost and use their memories to fuel our efforts to eradicate this pandemic.

REMEMBERING WORLD AIDS DAY

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

Ms. KILPATRICK. Mr. Speaker, today I rise to acknowledge and commemorate World AIDS Day, which is
Saturday, December 1. Today, worldwide, AIDS is the fourth largest killer of people. Forty million people, as has been said, are living with AIDS today. As has been said, 900,000 here in America and 13,000 in my own State of Michigan. Half of the infected cases are young adults between 13 and 25.

The cost of treating AIDS is astronomical. Our health system is not able today to carry that cost, and we must invest in our health system from top to bottom so we can treat those who are infected.

It is important because countries around the world, including Africa, Eastern Europe, the U.K., Australia and Japan, are seeing increasing cases of HIV and AIDS. We must educate young people as well as others how to prevent the scourge of AIDS and carry out that responsibility. We must also invest resources so our health care system can treat.

IN APPRECIATION OF U.S. CAPITOL POLICE

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

Mr. PITTS. Mr. Speaker, since September 11 America has been extra security conscious. Congress too has been taking extra precautions to make sure the people who work here are safe and as they do the people’s business. We have extra jersey barriers up and a couple of side streets are blocked off to traffic. There is one more measure that I think we need to recognize. The Capitol Police are working overtime, a lot of overtime.

The dedicated officers of the Capitol Police have been working 12-hour shifts with only 1 day off a week. They are doing this to keep all of us safe. They are doing this to protect this building. This building is the symbol of American democracy. It is the symbol of freedom around the world.

So thanks to the men and women of the Capitol Police, the rookies and the veterans alike. Do not think that you are not appreciated. What you are doing is greatly appreciated by all of us.

THE BIG BITE

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

Mr. TRAFICANT. Mr. Speaker, as a former athlete, I thought I saw it all. Great celebrations after grand slams and Hail Marys. But this time it has left a little too far. I yield back what has now become known as “The Big Bite.”

HONORING Chance Kretschmer

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

Mr. GIBBONS. Mr. Speaker, I come to the well of this great body to recognize the achievements of Chance Kretschmer, a freshman running back for the University of Nevada, Reno, Wolf Pack football team.

Chance Kretschmer broke not only every Nevada football rushing record for number of yards, number of carries and number of touchdowns, but he is also the lead rusher in the NCAA.

Born and raised in a small rural town, Tonopah, Nevada, the young football star joined the Wolf Pack football team as an unknown walk-on freshman. Now, not only are the UNR fans and coaches taking notice, but all of the college sports community is doing so as well.

In his last game, Chance ran for an amazing 327 yards on 45 carries and scored an amazing six touchdowns leading the UNR to victory. And as only a freshman, this Nevada native certainly has an exciting future ahead of him.

Congratulations, Chance Kretschmer, on your athletic accomplishments. You have made all of Nevada proud.

SUPPORTING WORLD AIDS DAY

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

Ms. LEE. Mr. Speaker, on December 1, communities across the globe will acknowledge World AIDS Day. The global AIDS pandemic is the greatest humanitarian crisis of our times.

Three years ago in my district, we declared a state of emergency on HIV and AIDS in the African American community. Since then the number of new infections has begun to slowly decrease, but millions of dollars are needed in our urban and rural communities to tackle this pandemic.

AIDS, like other infectious diseases, knows no borders; nor does it discriminate. HIV has infected over 57 million people worldwide. AIDS, TB, and malaria claim over 17,000 lives each day.

We know how to prevent the spread of HIV. We know how to treat AIDS patients, and we know we must continue our work in vaccine development.

United Nations Secretary General Kofi Annan and global AIDS experts estimate that it will take $7 billion to $10 billion annually to launch an effective vaccine. The U.S. should contribute at least $1 billion to this fund as the wealthiest and most powerful country on Earth. The human family is at stake. We can and we must do more.

□ 1045

A SAD ANNIVERSARY

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

Mr. LOBIONDO. Mr. Speaker, I rise today on a sad anniversary for a family in southern New Jersey. On November 21, 2000, 11-year-old Mark Gibbons left his Middle Township, New Jersey, home to watch firefighters respond to a brushfire. He was returning as his mom was leaving to run an errand. His mother told him that she would be right back, and Mark replied, “Okay, Mom.” Those would be the last words anyone would hear from Mark. Now, 10 years later, Mark sadly is still missing.

This heartbreaking story is just one of so many in our Nation where FBI statistics show that more than 876,000 adults and children were reported as missing during the year 2000. The Congressional Caucus on Missing and Exploited Children, of which I am a member, is working to raise the profile of this issue.

The best way to help find kids like Mark is to look at the photographs of missing children posted at many venues around the Nation and call the National Center for Missing and Exploited Children’s toll-free number at 1-800-THE-LOST. At their Web site, www.missingkids.org, you can see pictures of Mark. Please do your part to help out.

DR. GEORGE SIMKINS, JR.

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

Mr. WATT. Mr. Speaker, I rise today to pay tribute to Dr. George Simkins, Jr., a resident of my congressional district, who died on November 21 and is being funeralized today in Greensboro, North Carolina. Dr. Simkins, a former president of the Greensboro NAACP for 25 years, was a civil rights pioneer who helped integrate the Greensboro City Council and open public facilities to African Americans.

Dr. Simkins was a vigilant and constant warrior for equity, equality, and justice. In this role, he paved the way for many of us to achieve successes that would otherwise have been unattainable and then stood shoulder to shoulder with us to continue the fight. Politically, George was a strong supporter, adviser and mentor. Personally, George was my tennis buddy and my true friend.

Greensboro, North Carolina, and our Nation have lost a Mark Himeshour whose important work will be remembered for years to come. I offer my condolences to the family of Dr. George Simkins, Jr.
TRADE PROMOTION AUTHORITY

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

Mr. KNOLENBERG. Mr. Speaker, leadership is only proven through action, and throughout its history the United States has proven itself to be a leader. But as we lead the world in an effort to eradicate terrorism, we risk abdicating our position of leadership in an area that is just as vital to America’s well-being and that is international trade.

With more than 130 trade agreements in effect in the world today, it is shocking that in the U.S. we are a party to only three. National security and economic security are not mutually exclusive. Exports strengthen our country by creating jobs and strengthening the economy. The jobs stay here and the exports go overseas. One in 10 Americans work in jobs that depend on exports. And those jobs pay between 13 and 18 percent more than the national average.

America must lead in international trade in order to effectively lead the world. Fortunately, 1 week from today, December 6, Congress has a chance to pick up the mantle of leadership by passing trade promotion authority.

I urge all my colleagues to join me in supporting TPA, trade promotion authority.

THE ACCESS AND OPENNESS TO SMALL BUSINESS LENDING ACT

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

Mr. UDALL. Mr. Speaker, we all agree that small business is the engine of economic growth in our Nation. As a member of the Committee on Small Business, I have worked with my colleagues in both parties to ensure that access to capital is there for those who need it, especially women and minority-owned businesses.

I am pleased to join today the gentleman from Massachusetts (Mr. McGOVERN) in introducing legislation that will allow us to determine if financial institutions are responding to the credit needs of minority- and women-owned businesses. From this data, we will be able to determine what is working and what needs fixing.

This legislation is supported by the National Women’s Business Council, the Women’s Business Development Centers, the National Community Reinvestment Coalition, and the Hispanic Economic Development Corporation, to name a few.

I look forward to working with the gentleman from Massachusetts and all my colleagues to achieve passage of this important legislation.

URGING ACTION ON A FARM BILL

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

Mr. OSBORNE. Mr. Speaker, I am relatively new here, and I am surprised at the pace at which legislation moves at times. I am particularly amazed that legislation for the well-being is not moving in the other body.

Much has been said about inaction on the economic stimulus package and the energy bill. I would like to call attention this morning to a bill that has gone largely unnoticed and that is the farm bill. The agriculture economy has been in dire straits for not just the past 2 or 3 months, but for the last 5 years. We have been losing thousands of farmers each year, almost no young people are going into agriculture, and three-fourths of U.S. farms rely on off-the-farm income. A new farm bill is critical.

The House farm bill passed this body 3 months ago. A farm bill passed this year will, number one, save thousands of farmers; and, number two, will ensure that we have an adequate budget. The other body needs to act and needs to act on several pieces of legislation, but particularly on a farm bill.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. SHIMKUS). Members are reminded to not urge action or inaction by the other body.

WORLD AIDS DAY

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

Mr. PAYNE. Mr. Speaker, according to UNAIDS, each day 17,000 people die from HIV/AIDS, tuberculosis, and malaria worldwide. While the world’s attention is appropriately focused on September 11 and our new war on international terrorism, we cannot ignore this ongoing tragedy. We have a tragedy occurring daily with HIV and AIDS, a tragedy on the scale of the black plague of the Middle Ages. The United States, as has been mentioned earlier, should be putting at least $1 billion in the global fund to fight HIV and AIDS.

In Zimbabwe, for example, AIDS has taken so many lives that agricultural output has decreased by 50 percent in the past 5 years. By 2005 there will be more than 10 million orphan children in Africa. The number of AIDS deaths can be expected to grow within the next 10 years to more than double the number of deaths caused by all other illnesses that we know.

We can do more. We must do more. It is the right thing to do more.

SETTING THE RECORD STRAIGHT

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

Mr. ISSA. Mr. Speaker, I come to the House floor today to make the body aware of what I think is a reprehensible act by the nation of Iran in using its state-run newspaper, the Tehran Times, to falsely state what a delegation of Members of Congress accomplished while in the Middle East. In a delegation that I was proud to lead, we went to the Middle East, to Syria, to Lebanon, to Egypt, to Israel and into the Palestinian territories. On that trip, we had occasion to make an address in Lebanon. That address was covered by the Tehran Times and by the Associated Press, Reuters and others.

The Tehran Times chose to say that we had said that the Hezbollah was not a terrorist organization, when nothing could be further from the truth. It has a long history of terrorism, including its leaders having murdered American Marines in 1982, having blown up our embassy, and those leaders are still sought.

To make the record straight, the Associated Press, and I quote, said: ‘‘The delegation’s leader DARRELL ISSA, Republican of California, told reporters that for the United States to remove Hezbollah from its list of terrorist organizations, the Lebanese-based group must renounce terrorism.’’

Another title: ‘‘Hezbollah Must Renounce Terrorism, says a U.S. Congressman.’’ That was from a French newspaper.

And from Reuters: ‘‘U.S. Congressmen Ask Lebanon to Rein in Hezbollah.’’

I hope this has set the record straight.

ON RETIREMENT OF HONORABLE EVA CLAYTON

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

Mr. INSLEE. Mr. Speaker, this morning I learned of the pending retirement from Congress of a great colleague, EVA CLAYTON from North Carolina. I just want to note her tremendous service the last decade of not only in North Carolina but the whole country.

I met EVA when she became president of our freshman class in 1992, and I think it showed the wisdom of our class in 1992 of having elected her to that position, because in the later 10 years, she has really provided great service, always in a very dignified, quiet manner and very successful for her constituents in North Carolina.

I hope during her next 1-minute where she continues her public service talking about our need to deal with the AIDS crisis, we will give her our infinite attention because it has been a great Member for the last decade. I thank Representative CLAYTON for her public service.
WORLD AIDS DAY

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

Mrs. MORELLA. Mr. Speaker, on Saturday, December 1, communities around the world will acknowledge World AIDS Day. This year’s World AIDS campaign will address masculine behaviors and attitudes that contribute to the spread of HIV. The new campaign aims to involve men, particularly young men, more fully in the effort against AIDS.

June 5, 1981, marked the first reported case of AIDS. Since then, 5.3 million people worldwide continue to be infected, with roughly 3 million AIDS-related deaths annually. HIV/AIDS has caused over 25 million fatalities, and 40 million are living with the disease worldwide. Eighteen million are women and 3 million are children.

To combat this growing global threat, I along with 62 of my colleagues have most recently called on President Bush to increase $1 billion in emergency fiscal year 2002 funding to fight the global AIDS pandemic, TB, and malaria. This funding is essential so that additional investments from both public and private sources can be leveraged to meet the cost of effectively combating the global AIDS pandemic.

Money is unquestionably a key component to our global battle to eradicate AIDS; however, equally critical is individual behavior. In spite of the progress we have made in our battle against AIDS, there is still approximately 40,000 new HIV infections a year in the United States, the exact number reported 10 years ago. We must encourage men to adopt positive behaviors and to play a greater role in caring for their partners and families. We all have a role to play.

HONORING CLEARFIELD EMERGENCY MEDICAL SERVICE

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

Mr. SHUSTER. Mr. Speaker, I rise today to honor the outstanding achievements of the Clearfield, Pennsylvania, Emergency Medical Service Company. On August 10, 2001, the Pennsylvania Emergency Health Services Council chose Clearfield EMS from among 1,000 ambulance service companies statewide to receive the rural ambulance service-of-the-year award.

Clearfield EMS has earned this award not only through exemplary ambulance service but also through their involvement in the community. Free flu shots and participation at county fairs and festivals are just a couple of the many ways that Clearfield EMS has taken the lead in community education and involvement. I congratulate Clearfield EMS on their exceptional accomplishments and their determination to improve their already stellar service. Clearfield EMS should serve as an example in excellence for other ambulance services nationwide.

TREATING HIV/AIDS AS A THREAT TO GLOBAL SECURITY

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

Ms. WATSON of California. Mr. Speaker, in honor of World AIDS Day, we must remember that it is estimated that by 2010, one-quarter of South Africa’s population will be infected by HIV/AIDS. Other African nations are suffering similar rates of infection.

In late August, I traveled to South Africa to examine the HIV/AIDS pandemic firsthand. While there, I visited KwaZulu-Natal, a region with the highest HIV infection in the world. In that region, an estimated 1 in 3 adults tests positive for HIV. The time has come for the United States to treat HIV as the threat to global security that it is.

Let us not forget that Osama bin Laden has exploited the misery of another state where civil society has collapsed, Afghanistan, to serve as a base for his terror network. The United States must act to prevent HIV from destroying an entire generation, not only of Africans, but also in Afghanistan.

I urge my colleagues to remember this day on the 1st of December and ask for a renewed effort to fight against HIV/AIDS in Africa.

TERRORISM RISK PROTECTION ACT

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 297 ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 297
Resolved, That upon the adoption of this resolution it shall be in order without intervention of any point of order to consider in the House the bill (H.R. 3210) to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism. The bill shall be considered as read for amendment. In lieu of the amendments recommended by the Committee on Financial Services and the Committee on Ways and Means now printed in the bill, an amendment in the nature of a substitute consisting of the text of H.R. 3357 shall be considered as adopted. The previous question shall be considered as ordered without debate. Any further amendment thereto to final passage without intervening motion except: (1) one hour of debate on the bill, as amended, equally divided and controlled by the proponent and an opponent; (2) the further amendment printed in the report of the Committee on Rules accompanying this resolution, if offered by Representative LaFalce of New York or his designee, which shall be in order without intervention of any point of order, shall be considered as read, and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) the motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. SIMMS). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending, in whose name I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, the resolution before us today is a fair, modified rule providing for the consideration of H.R. 3210, the Terrorism Risk Protection Act. The rule provides that in lieu of the amendments recommended by the Committee on Financial Services and the Committee on Ways and Means, an amendment in the nature of a substitute consisting of the text of H.R. 3357 shall be considered as adopted.

The rule waives all points of order against consideration of the bill, as amended, and provides for 1 hour of debate in the House, equally divided and controlled by the chairman and ranking minority member of the Committee on Financial Services. It also provides for consideration of the amendment in the nature of a substitute printed in the Committee on Rules report accompanying the resolution, if offered by the gentleman from New York (Mr. LaFalce) or his designee.

The bill shall be considered as read and shall be separately debatable for 1 hour, equally divided and controlled by the proponent and opponent. The rule waives all points of order against consideration of the amendment printed in the reported. Finally, the rule provides for one motion to recommit, with or without instructions.

Mr. Speaker, on September 11, the collective memory of Americans was forever changed. The attacks resulted in an incalculable loss, both in terms of life and the destruction of buildings, property and businesses. In the 2½ months since the attacks, America has begun the painful process of recovery and healing.

Today we are here to consider H.R. 3210, the Terrorism Risk Protection Act. Exposure to terrorism is not only a threat to our national security, but is also a threat to the United States and global economies. The full extent of insured losses from September 11 is not yet known, but current estimates span from the range of $30 billion to $70 billion.

There is no doubt that these terrorist attacks have resulted in the most catastrophic loss in the history of property and casualty insurance. While the insurance industry has indicated that it will be able to absorb total losses, and should be commended for its resiliency, we are faced with a new situation that requires an innovative and creative solution.
As our President, President Bush, declared, this Nation is now faced with fighting a different kind of war against a new enemy. Just as our military leaders have had to employ new strategies and tactics to fight the war abroad, we have had to make adjustments to defend our homeland.

Prior to September 11, terrorism insurance coverage was generally included in most commercial and personal contracts. However, the prospect of future attacks has set off a dangerous disruption in the marketplace.

The reinsurance industry, which insures insurance companies, has indicated its inability to provide terrorism coverage without a short-term Federal backstop. Without reinsurance for the risk of terrorism, insurance companies are forced to specifically exclude it from future policies. Without this terrorism coverage, lenders are unlikely to underwrite loans for major projects. This sequence of events could result in dangerous disruptions to the marketplace and further hurt our economy.

While a few fully understood intricacies of risk assessment and premium pricing are apparent, the effects on our marketplace are already being felt. I would like to highlight just a few of these real live examples.

There is a small construction contractor in Maryland that recently found out that his insurance premium would triple to $150,000 a year.

New York’s JFK International Airport terminal cannot secure the $1 billion in insurance coverage it needs, which has led the developer to reconsider shutting the terminal down.

The city of Chicago has received a bill to renew its war on terrorism insurance coverage for next year at a 5,000 percent increase over its 2001 rates.

These snapshots from around the country form a composite picture of a dire circumstance that requires action from Congress.

Since September 11, Congress has moved in a timely fashion to address the needs that have arisen from the bipartisan supplemental appropriations funding, provided just a few days after the attacks, to legislation that addresses the need for increased airline security, to an economic stimulus package. This House has responded to its calling.

Mr. Speaker, we now must step up again and pass this bill that is before us today. Reinsurance policies are generally written on a 1-year basis. Approximately 70 percent of current reinsurance contracts are set to expire at the end of this year, December 31, 2001.

As the year draws to a close, Congress must act quickly to avert a national economic disaster. The Terrorism Risk Protection Act provides a Federal backstop for financial losses in the event of future terrorism attacks. This crucially needed backstop would create a new backstop for terrorism-related risks. Under the House plan, the Federal Government provides the necessary backstop without opening the pocketbooks of taxpayers. Every dollar of Federal assistance will be repaid.

The legislation also contains reasonable conditions and reform to ensure that Federal assistance reaches its intended recipient. The 1993 World Trade Center bombing which killed 6 people resulted in 500 lawsuits by 700 individuals, businesses and insurance companies.

Mr. Speaker, it has been 8 years and the cases are only just now getting to the trial stage, and hundreds of plaintiffs have yet to even receive 1 cent of compensation. By providing reasonable reforms, victims of terrorism will more quickly and equitably receive compensation, while also reducing the substantial uncertainty facing the insurance industry when pricing terrorism risk.

Finally, the bill provides for studies that examine the effects on terrorism on various sectors of the insurance industry and ways to establish reserves, and guards against losses for future acts of terrorism.

Yesterday, in his testimony before the Committee on Rules, the gentleman from Ohio (Chairman Oxley) described insurance as “the glue which holds our economy together.” The ranking member, the gentleman from New York (Mr. LaFalce), also spoke, saying that this bill is not a bailout for the insurance company, and is of critical importance.

While there may be many competing ideas on the best way to address this situation, there is one unanimous agreement: that this legislation is absolutely critical to prevent major disruptions in the marketplace and further harm to our economy.

As the gentleman from Louisiana (Chairman Baker) stated when he testified yesterday, this is the only intolerable action at this time is to do nothing.

Mr. Speaker, I urge my colleagues to join me in supporting this rule, a fair rule, and the underlying legislation.

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

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

Ms. Slaughter asked and was given permission to revise and extend her remarks.

Ms. Slaughter. Mr. Speaker, I thank my colleague from Texas for yielding me the customary 30 minutes.

Mr. Speaker, I rise in opposition to the rule. I oppose the hubris it embodies, the process it represents. In what is becoming standard procedure, the House is preparing to move forward with an important bill that is not ready for prime time.

No one doubts the critical nature of this bill. The withdrawal of terrorism coverage by reinsurers has forced primary insurers to radically increase premiums for policyholders or to withdraw coverage entirely. The consequences could reverberate throughout the entire economy. Virtually nothing could happen in the American economy without insurance, and the vast majority in this body agrees that Congress has a duty to intervene in the reinsurance marketplace to safeguard against a cascading economic crisis.

Unfortunately, the leadership in the body has seized upon the crisis in an attempt to circumvent regular order and move forward with tort reform, a wholly extraneous matter. Tort reform does not belong in this bill, nor was it requested by the reinsurance industry representatives during the many discussions leading up to the legislation.

Even by the standards that are in place here, this is a heavy-handed attempt to curtail victims’ rights. The tort reform provision threatens to derail the principal objective of the legislation, which is to revitalize and reestablish a rational and functional reinsurance market.

Yesterday, the Committee on Rules hearing on the bill revealed utter confusion among the chairmen and ranking members of the two committees as to what the bill actually contained. The chairmen had not seen the measure but had a hunch of what might be in it. The ranking members were wholly in the dark.

Committee on Rules members were given copies of the comprehensive substitute provisions seconds before the hearing commenced.

Something else became apparent at the hearing as well. All the principals involved in the legislation, the gentleman from Ohio (Chairman Oxley), the gentleman from New York (Mr. LaFalce), the gentleman from Pennsylvania (Mr. Kanjorski) and the gentleman from Louisiana (Mr. Baker) were firmly convinced of the importance of the legislation and the need to move it forward, and, indeed, all four showed a great willingness to work together with each other to reach a consensus on a good law for the country sorely needs.

They believed that within an additional 24 hours they could have reached that agreement and moved a bill that virtually all of us would have supported.

Now, this is the way a deliberate body should operate, and, indeed, was operating as this bill moved expeditiously through the legislative process. But after the Committee on Financial Services carefully crafted a bipartisan measure, the House leadership seized their work product in order to move a controversial measure they know would not survive the scrutiny of the entire Congress.

Mr. Speaker, this is not leadership; this is petulance. The American people expect more from their leaders in a time of crisis.

We are also being asked to support a rule that blocks any attempt to remedy these extraneous provisions. Indeed, some measures in the committee itself that had passed by a majority

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We have done a great job, in my estimation, acting on a bipartisan basis, dealing with things like giving the President the authority to wage a military campaign in Afghanistan, providing the funding necessary to get New York back on its feet. To come up in times like this, terribly tragedy and, ultimately, I think, passing an economic stimulus package.

This legislation that we will be taking up shortly is a direct response to what happened after September 11, and that is to stabilize the reinsurance market which, for the most part, is offshore and not American. Indicated very strongly that they would no longer write reinsurance policies for terrorism. This, of course, had a resounding effect on the American domestic insurance industry, the property and casualty companies, because with the inability to essentially reinsurance or to spread the risk through reinsurance, they faced a real conundrum. This bill that took place on September 11, and this bill is not a bailout for the insurance companies. The insurance companies stepped up to the plate and are taking care of their obligations that resulted from September 11, and it is going to be a $40 billion to $50 billion project for them to make these folks whole.

What it is all about now is what happens next. All of us hope that our efforts towards this goal in the future because our bill only occurs and only triggers when an event actually occurs of a terrorist nature to be determined by the Secretary of the Treasury. We all hope and pray that our efforts today, while beneficial, will not be needed in the future.

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

Mr. SESSIONS. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. RANGEL). This amendment would provide relief for unemployed workers in the form of unemployment continuation and the extension of COBRA benefits and Medicaid.

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

Mr. SESSIONS. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. SESSIONS), the chairman of the Committee on Rules, to speak to us supporting this rule.

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

Mr. Speaker, first I want to pay tribute to the gentleman from Texas (Mr. SESSIONS), my good friend, for once again helping us craft a very fair and equitable rule to debate this very difficult issue that faces us. Just a few short weeks ago, we faced this terrible attack on America on September 11, and I do not think any one of us could have foreseen the events that have taken place since that time that have drawn this Congress towards addressing some of the most critical issues facing us.

The gentleman from New York (Mr. LaFALCE) and the gentleman from Michigan (Mr. CONYERS) both offered amendments for the rule that simply strike the sections of the bill that related to tort reform. The gentleman from Pennsylvania (Mr. KANJORSKI) offered a compromise amendment on tort reform to prohibit the use of Federal assistance to cover punitive damage awards.

The gentleman from New York (Mr. CROWLEY) offered an amendment which would have expanded the legislation to cover not only commercial policyholders, but personal policyholders, like our Nation’s homeowners who have been grievously hurt in New York City and other parts of the country. Without this extension, homeowners are going to see their premiums rise dramatically. But none of these amendments were made in order.

What is the leadership’s version to regular order? Why the single-minded obsession with sabotaging critical legislation unanimously agreed upon at the committee level? And why the unwillingness to show their handiwork to the scrutiny of their colleagues before a Committee on Rules hearing and floor consideration?

Moreover, Mr. Speaker, there are other critical priorities that Congress is ignoring. As we take the time to rush through a measure designed to protect the insurance industry, surely we could utilize that same energy to address the needs of those who have lost their jobs and their health insurance in the wake of September 11.

With this in mind, I will be urging defeat of the previous question so that we can adopt a rule to order an amendment offered by the gentleman from New York (Mr. RANGEI). This amendment would provide relief for unemployed workers in the form of unemployment continuation and the extension of COBRA benefits and Medicaid.

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

Mr. LAFAULCE. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. OXLEY), the chairman of the Committee on Financial Services, to speak to us supporting this rule.

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

Mr. Speaker, first I want to pay tribute to the gentleman from Texas (Mr. SESSIONS), my good friend, for once again helping us craft a very fair and equitable rule to debate this very difficult issue that faces us. Just a few short weeks ago, we faced this terrible attack on America on September 11, and I do not think any one of us could have foreseen the events that have taken place since that time that have drawn this Congress towards addressing some of the most critical issues facing us.

The gentleman from New York (Mr. LaFALCE), my good friend and the ranking member, to offer a substitute of his choosing. It also offers the minority the opportunity for a motion to recommit, as is the custom. That basically says that the other side gets two bites of the apple. That is fine. But I also think, Mr. Speaker, that this bill that we will be discussing today should be a bipartisan effort, just like all the other efforts have been in this House.

Make no mistake about it: this House is going to act. The other body has some real problems. There is some concern about the budget. There is no question that even get their act together; but today, sometime between 3 and 4 this afternoon, this House will have spoken loudly and clearly that we understand the problem and that we are ready to address the problem in a bipartisan way.

This rule gets us towards that effort.

I want to thank the gentleman from Texas (Mr. SESSIONS), and particularly the newly arriving chair of the Committee on Rules (Mr. DREIER), just arrived on the House floor and to the Chamber, for his excellent work in crafting a rule that all of us can support.

Mr. LAFAULCE. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. LaFALCE).

Mr. LAFAULCE. Mr. Speaker, I thank the gentlewoman for yielding me this time.

I rise in opposition to this rule, and I also hope that all of my colleagues who would join me in opposition. One of the most important things for us to do is have a fair rule so that we can debate the important issues of the day. It is not simply to get things behind us; it is not simply to create partisan contests. It is to frame important issues and then have discrete votes on those.

Now, the majority has not permitted that. They have said, oh, look, jump every single issue imaginable that we are concerned about into one substitute and put it all together. Well, the problem is, 90-some percent of the time, the only thing we accomplish there is to get a partisan vote with Democrats for the most part for, Republicans for the most part against; and we cannot really focus in on the discrete, but important, issues unless we have individual amendments, which the majority has denied. That is unfortunate, because there are individual issues of great import that do not have partisan considerations that we should debate separately and vote on separately.

For example, should there or should there not be a deductible? Well, I believe strongly that there should be a deductible before the Federal Government comes in, and the bill coming out of the Committee on Rules does not have a deductible. I personally believe, the administration believes, that there should be a deductible. It would prefer a $25 deductible. It has previously offered that substitute. The administration negotiated with certain Senators a proposal that included a significant deductible. That is
a separate and distinct issue. Let the insurance industry pay first; how much is negotiable, but at least $5 billion, before it is necessary to have a Federal backstop. And they absolutely have the capacity to do that with no difficulty whatsoever, and yet they are denying us the right to vote on that discrete issue.

Another discrete issue is, well, should the Federal Government come in and pay from dollar one? Should the Federal contribution, that is, 90 percent of the damages, come in on the first dollar or should it come in on the first dollar after a deductible? Under the House Republican Committee on Rules bill, that 90 percent Federal payment will come in on dollar one. Ours would come in the first dollar after $5 billion. That is a very important issue, and we should be allowed a discrete vote on that.

Mr. SESSIONS. Mr. Speaker, it is a delight and a pleasure to yield 7 minutes to the gentleman from Wisconsin (Mr. SENSENBERGER), the chairman of the Committee on the Judiciary. As my colleagues have heard me detail earlier, he is one of three of the brightest minds in the Republican Conference. The gentleman from Louisiana (Mr. BAKER) and the gentleman from Ohio (Mr. OXLEY).

Mr. SENSENBERGER. Mr. Speaker, I thank the fourth bright mind of the gentleman from Texas (Mr. Sessions) for his compliments, and I rise in support of the rule and in support of H.R. 3210. I wish to compliment the gentleman from Ohio (Mr. OXLEY) for his vigorous work on this difficult issue.

I am particularly supportive of the litigation management provisions in H.R. 3210 which will benefit all people in all industries that fall victim to terrorist attacks of a catastrophic nature. Any bill that fails to limit potentially infinite liability, or pay through the nose and turn itself from a corner shop into a fortified bunker designed to withstand terrorist attacks would come in the first dollar after $5 billion. Furthermore, without the litigation management provisions in H.R. 3210, no limits would be placed on the fees of attorneys bringing terrorist-caused cases against Americans and their businesses, and ultimately against the taxpayers, under this bill.

Reasonable limits on attorney's fees serve the same purpose as strict restrictions on permanent damages and joint and several liability. They maximize the funds available to large numbers of victims when there are only limited resources available for compensation. These protections are more important than ever in the context of the terrorist attacks causing large-scale losses. Again, the litigation management provisions in this bill will spread the wealth out to more victims, rather than having one or two large awards ending up bankrupting the pot of money available.

The 1993 World Trade Center bombing killed six people, yet resulted in 500 lawsuits against U.S. airlines, businesses, and insurance companies. Damages claimed amounted to $500 million. Eight years later, these cases are only now just getting to trial, and hundreds of plaintiffs have yet to receive a cent in compensation.

By providing reasonable limits on potentially infinite liability and consolidating all cases in one or a few Federal courts, victims of terrorism will recover more quickly and more equitably. Congress with a bipartisan effort to address the September 11 attacks.

Let this be clear, that what is proposed in the litigation management provisions of this bill the House has already approved in both the Aviation Security Act and the Air Transportation Security and Systems Stabilization Act, September 11-related lawsuits against air carriers, air manufacturers, automobile manufacturers, airlines, State port authorities, and persons with property interests in the World Trade Center must be heard in Federal court in New York; and the total damages against these potential defendants, should they be found liable, are capped at the limits of the insurance coverage they had on September 11.

Mr. BAKER. Mr. Speaker, it is my favorite topic, and that is, tort revision. By enacting these provisions to cover terrorist-inspired litigation, individuals and businesses will be protected by Congress from potentially limited liability and bankrupting litigation. Also under these provisions, the size of damage awards for which the United States taxpayer will have to provide up-front sums to cover would be reduced, just as the Federal Tort Claims Act's limits on punitive damages and attorneys' fees limit damages and litigation that will result in money taken from the U.S. Treasury.

These provisions protect the American taxpayer. Those opposed to them wish to turn the key to the United States Treasury over to the plaintiffs’ bar.

Existing tort rules do not properly apply when the primary cause of injury is a suicidal fanatic motivated by a deep hatred of America. These are not garden variety slip-and-fall or auto accident cases, and this Congress has already recognized this key distinction in passing the liability protection provisions governing lawsuits relating to the September 11 attacks.

As a result of the Aviation Security Act conference report, as well as the Air Transportation Safety and Systems Stabilization Act, September 11-related lawsuits against air carriers, air manufacturers, automobile manufacturers, airlines, State port authorities, and persons with property interests in the World Trade Center must be heard in Federal court in New York; and the total damages against these potential defendants, should they be found liable, are capped at the limits of the insurance coverage they had on September 11.

Mr. OXLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. KANJORSKI).

Mr. KANJORSKI. Mr. Speaker, I rise in opposition to a rule that has been frequently unfair. The gentleman addressed one of the major issues that I wanted to address in an amendment I had offered and asked the Committee on Rules to make in order, and that is to have some limitation on punitive damages and provide for consolidation of lawsuits, but not to enter into tort revision.

Unfortunately, some of my friends have seen the opportunity to use this as a locomotive today to go to one of their favorite topics, and that is, tort revision in the country. I think that is unfortunate because the history and the process of this legislation was initially handled by the Committee on Financial Services for the sole purpose of trying to bring together the entire Congress with a bipartisan effort to accomplish something that would allow the economy to have terrorist insurance and to have a reinsurance industry that could be vital, and could be kept in the private sector until we straighten out the problems and the new issues created by the terrorist attack on September 11.
Mr. CANNON. Mr. Speaker, I thank the gentleman for yielding time to me. I rise today in support of the rule and the underlying legislation. The rule provides for the continued availability of insurance against terrorism risks, and had additional multiple insurance and liability issues arising out of the September 11 attacks.

This is a good rule that incorporates changes made by the Committee on Financial Services and the Committee on Ways and Means and the Committee on the Judiciary to the original bill. I would like to speak about some of those important provisions that fell within the Committee on the Judiciary jurisdiction.

First, by working with the gentleman from Ohio (Chairman OXLEY) and the gentleman from Wisconsin (Chairman SENSENBRENNER), we were able to expand language in the original bill dealing with the use of frozen terrorist assets to compensate victims of terrorism.

This change to language offered by the gentleman from North Carolina (Mr. WATT) brings the bill into line with an amendment I offered earlier, in earlier legislation, that was accepted by the committee on the Judiciary.

Secondly, after this fall. It was also language that was approved by the House on suspension in the 106th Congress.

The provision in the bill today will allow equal access to the frozen assets for American victims of international terrorism who obtain judgments against those terrorist parties.

In addition, the Committee on the Judiciary added important litigation management provisions to deal with the legal aftermath of a major terrorist attack. This is a commonsense recognition that major terrorist attacks are not garden variety tort cases, and that there is a particular interest in setting rules and limits for how lawsuits arising from such attacks proceed. Exposing American citizens and insurers to unlimited liability in multiple judicial forums for the terrible acts of madmen is a recipe for a financial crisis.

This Congress overwhelmingly recognized the same principle when we limited airline liability for the September 11 attacks and set them back on a sound financial footing. We need to do the same today for insurers, and equally important, to the insured.

I would like to thank again the gentleman from Ohio (Chairman OXLEY), the gentleman from Wisconsin (Chairman SENSENBRENNER), the gentleman from New York (Mr. FOSSELLA), and the gentleman from North Carolina (Mr. WATT), on all their efforts on these issues. I urge my colleagues to support the rule and the underlying legislation.

Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. CANNON).

Ms. SLAUGHTER. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, it is obvious we disagree on this. But for someone to stand up in this house and argue that because we have given in to our basic weaknesses and have given in to our ideology, rather than to the interests of the people of the United States and the economy of the United States, I hope my predictions are wrong.

I hope the Senate and the community will not be passed by the Senate, and I think puts it in this bill, which will ultimately say this bill cannot be passed by the Senate, will not be passed by the Senate, and I think puts the of this aisle, and I may say, Members of Congress.

The Senate, the other body, has an opportunity to debate this issue, to bring forth their bill, and then for the conference committee, not the other body to feel like they have been put upon, but for the conference committee to be the body to determine what the final outcome will be. That is what the process should be.

I am proud of what this bill stands for, and I think we are doing the right thing.

Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. CANNON).

Mr. CANNON asked and was given permission to revise and extend his remarks.
Mr. PENCE. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, as a member of the Committee on the Judiciary and also as a former trial attorney, I rise in strong support of the rule and the underlying legislation.

Mr. Speaker, the antiterrorism measures recently passed by Congress, legal reforms were an integral part of shaping bills that provide the President with the necessary means to combat evil. Legal reform is equally important to the members before us today in this Chamber, terrorism risk protection.

Mr. Speaker, the existing legal system is simply not designed to rectify attempts by international terrorists to murder thousands of innocent Americans or obstruct our economy.

We need look no further than the 1993 bombing at the World Trade Center for proof. In that heinous crime 6 Americans were killed, but 500 lawsuits were filed claiming more than $500 million in damages. These cases are only coming to trial today, over 7 years later, and many plaintiff have yet to receive a dime in compensation.

Mr. Speaker, our current legal system is inadequate to deal with this very present threat against our people. The current legal system pits victim against victim, encourages over-reaching by the colleagues in my former profession, and even worse, could result in putting hundreds of millions of dollars into the deep pockets of attorneys' fees instead of addressing real losses by Americans.

Mr. Speaker, my colleagues can understand the urgent need for legal reform in the matter of risk protection. I applaud the gentleman from Ohio (Mr. OXLEY) and his colleagues for their hard work in creating a pro-consumer, pro-competition bill as enacted in S. 3210, and I urge my colleagues to support the rule and the bill.

Ms. SLAUGHTER. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Missouri (Mr. GEPPERT), the minority leader.

(Mr. GEPPERT asked and was given permission to revise and extend his remarks.)

Mr. GEPPERT. Mr. Speaker, I rise to ask Members to vote no on the previous question so an amendment can be offered to include worker relief in the base bill. It had been more than 2 months when we passed the bill to help the airlines, since the Speaker promised to bring up a bill soon to address the concerns of airline workers.

It had been now more than 2 months. We have taken up all kinds of appropriation bills. We have taken up all kinds of other legislation. We have dealt in two instances with the airline industry, all of which we needed to do, and I am not opposed to the basic idea of doing something about insurance and the real estate industry. I understand the problems that the commit-tees tried to deal with, and I am sympathetic with them. I am not interested in in the process of doing something about it.

I am opposed to some of the matters that got freighted on to this bill, and so I am going to vote, if this bill survives the process, because of what has been put in it with regard to civil justice system.

The basic idea of dealing with the insurance industry is a sound idea. What I am unwilling to do and I think a lot of us are unwilling, is to take up one more bill to deal with one more industry without finally dealing with the most important problem that faces us as a country today, and that is the thousands of people that have become unemployed in America who have no income, no health insurance, and no ability to deal with the problems they now face.

I have thought a lot about it. Why are we constantly dealing with other matters before we deal with the most important matter in the bill? I have finally come to the conclusion that it is a result of the fact that we personally are not facing these problems. We intellectually know that people out there are hurt, but I guess we are not hurting that much. We all have health insurance. We just do not get it.

I was asked recently how the people in St. Louis, who I represent, were dealing with the anthrax attacks here in Washington, and I have talked obviously with my constituents a lot about what was happening here in Washington with anthrax, and they understood it intellectually, but they did not understand it the way I understood it. The analogy I use has been, it is one thing to have your aunt or uncle diagnosed with cancer. It is another thing when you are diagnosed with cancer. It takes on a new meaning.

We have thousands of people in this community who are going to lose employment insurance, and they are unemployed. Probably today about 40 percent of the unemployed do not even qualify for unemployment insurance because of the changes that have been made in the laws across the country in the last years. And none of them have the money, even if they get unemployment insurance at 6- or 7- or $500 a month, or $300 a month, none of them can afford their COBRA health insurance, none of them can.

Just imagine in your own family, if your income had been wiped out, you were not going to get a check at the end of the month, and you lost your health insurance, what happens to your kids? What if your kids get sick? What are you going to do?

That is the bill we ought to have on the floor today or tomorrow and deal with the most important problem facing this country. We may not understand it because it does not affect us, but I can assure my colleagues it affects thousands of people in districts across this country. Let us come back and do the right thing.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BENTSEN).

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Speaker, one of the other speakers on the other side said this was a fair rule and a fair process. There ain't nothing fair about this rule. If my colleagues want to know where the fair process was, it was in the Committee on Financial Services, where, under the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER), we debated and crafted a very good bill. In fact, I was one of the original cosponsors, along with the gentleman from North Dakota (Mr. POMEROY) of the underlying bill.

Somewhere from the Committee on Financial Services to the House floor, as often happens around this place, the bill changed greatly in scope. We have thousands of people that have become unemployed in America who have no income, no health insurance, and no ability to deal with the problems they now face.

The basic idea of dealing with the insurance industry is a sound idea. What I am unwilling to do and I think a lot of us are unwilling is to take up one more bill to deal with one more industry without finally dealing with the most important problem that faces us as a country today, and that is the thousands of people that have become unemployed in America who have no income, no health insurance, and no ability to deal with the problems they now face.

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have huge loans out with some of the big money center banks. They are probably not going to get repaid. We have a credit crunch going on in the economy right now, and now we want to have an insurance crunch occur. That is not the way to do things.

We fixed the problem in the committee. We passed, in a bipartisan vote, the Benten amendment that made sure that the taxpayer would not be on the hook for punitive or noneconomic damages. But what we also said was the defendant, the building owner, the airline owner, if they had negligence, even in a terrorist attack, if they had locked the exit door, if they had not had proper exits and there was liability, that they would have that liability if there was negligence; but the taxpayers would not have that liability.

We solved the problem in a temporary nature in what is otherwise I think is a very good bill. But for some reasons, I do not understand the case around here, we decide to do it the hard way rather than the easy way. And somehow we will do it the easy way. But what I am worried about is it is going to be January when we are doing it the easy way.

I hope we defeat the previous question, defeat the rule, and let us get a good bill like we started with in a very bipartisan fashion.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Oregon, Ms. HOOLEY.)

Ms. HOOLEY of Oregon. Mr. Speaker, I thank the gentlewoman for yielding me time. Mr. Speaker, I want to begin by commending the Committee on Financial Services leadership, the gentleman from Ohio (Chairman OXLEY) and the gentleman from Louisiana (Mr. BAKER), the subcommittee chairman, as well as the ranking members, the gentleman from New York (Mr. LaFalce) and the gentleman from North Dakota (Mr. POMEROY). Mr. POMEROY. Mr. Speaker, I thank the gentlewoman for yielding me time. Mr. Speaker, I want to begin by commending the Committee on Financial Services leadership, the gentleman from Ohio (Chairman OXLEY) and the gentleman from Louisiana (Mr. BAKER), the subcommittee chairman, as well as the ranking members, the gentleman from New York (Mr. LaFalce) and the gentleman from North Dakota (Mr. POMEROY).

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentlewoman for yielding me time. Mr. Speaker, I want to begin by commending the Committee on Financial Services leadership, the gentleman from Ohio (Chairman OXLEY) and the gentleman from Louisiana (Mr. BAKER), the subcommittee chairman, as well as the ranking members, the gentleman from New York (Mr. LaFalce) and the gentleman from North Dakota (Mr. POMEROY).

The committee has done a very serious effort at trying to address an urgent problem.

We must act. We simply must act. Those of us on the gentlewoman from Louisiana (Chairman BAKER) to the Committee on Rules yesterday in describing the urgency of moving this legislation.

Well, what a shame, what an incredible shame that majority leadership would then stomp all over the work product brought out of the Committee on Financial Services to address this issue by drafting onto the bill an unrelated, partisan, highly ideological agenda.

Sometimes we just need to put our partisan roles aside and deal in a bipartisan way to address the concerns of this Nation, especially the urgent needs of this Nation. There was no need to put special interest out of this bill. Both sides recognize the need to act, both sides can find an agreement in terms of how to get this terrorism coverage out there through this Federal legislation.

Instead, the majority leadership dramatically complicates this whole effort to address and get enacted legislation in the few remaining weeks.
reckless acts. This sweeping provision would prohibit the courts from awarding punitive damages; it would eliminate joint and several liability for economic damages; require courts to reduce damage awards by the amounts received from life insurance or other collateral sources; and waive prejudgment interests, even in those egregious cases, for example, where private airport security contractors who wantonly, recklessly, or maliciously hire convicted felons, who fail to perform required background checks, or who fail to check for weapons.

Now, nobody wants to hold parties responsible if they bear no blame. But this bill lets them off the hook even if they knowingly engage in conduct that puts Americans at risk.

It is interesting to note, Mr. Speaker, that the bill would also place a cap on attorneys’ fees, making it harder for victims to pursue meritorious claims in a court. But the caps apply just to plaintiffs. Corporate defendants remain free to hire the most expensive lawyers they can find.

Mr. Speaker, it is hard to see these provisions as anything other than a tax-free gift for corporations and an attempt to weaken the rules of our civil justice system. I urge defeat of the previous question and the rule.

Ms. SLAUGHTER. Mr. Speaker, I have one speaker remaining. How much time do I have?

The SPEAKER pro tempore (Mr. SHIMkus). The gentleman from New York (Ms. SLAUGHTER) has 6 minutes remaining, and the gentleman from Texas (Mr. SESSIONS) has 6½ minutes remaining.

Ms. SLAUGHTER. Mr. Speaker. I yield 5 minutes to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I was hoping that we would have a bill today that we could support, because I think the committee, on the underlying bill on insurance protection for the real estate industry and for the insurance companies and others, is on the right track. Yet we find this bill is substantially now loaded down with a whole series of tort reforms, or, I should say by tort reforms. It is the tort reforms that are now threatening the passage of this legislation.

I also, though, want to raise some questions with respect to the legislation as we continue the consideration. I would refer Members of the House to the Wall Street Journal of November 15, an article on the insurance companies that points out that the market has taken a somewhat different picture of the industry, that the insurance industry is presenting to the Congress of the United States. The title of the article is, "Insurance Companies Benefit From September 11, Still Seek Federal Aid."

The article talks about raising premiums 100 percent, or 400 percent in some instances. It also makes it very clear that the insurance companies see this as a business opportunity for Marsh & McLennan and other large insurance companies have made it clear the time is now to fully exploit the opportunity that was presented by September 11 in terms of creating new entities, and going after new capital.

In an effort to raise a billion dollars in new capital within a few days after September 11, in an insurance industry that is seriously in trouble supposedly, what they are telling us in Washington, they were so oversubscribed they had to turn people away. Other entities then came in, and they raised 500 million. Many of the companies have sold additional stock that have been subscribed to by very, very reputable investors that have decided that this is a good take.

On the date of that article the insurance companies spoke about 7 percent. What is going on here? They are running in and frightening the banks and frightening the real estate industry, everybody else, raising their premiums; and they know on the other end they are going to get Federal protection. As the article points out, they know they have an ability now to raise premiums up to 400 percent, to limit their liability; and the payouts will be taken on the other end.

That is why I think this committee is on the right track with the suggestion that we are prepared to help them out, but we also think there ought to be some payback. Because, again, the article makes it very clear, and the financing of this industry makes it very clear that even with the huge payouts they will experience from September 11 their reserves are sufficient. Over time, and hope to God we do not have other terrorist activities, those reserves will be rebuilt up. The premiums will be raised.

We may have a catastrophic event, we may have to step in, but the nature of the industry is they have the ability to pay the taxpayer back. There are others who want to suggest that $10 billion and the industry is off the hook, or that we pick up all of the cost. I think we have to be very careful about how we approach this and we recognize the real financial capacity of this industry.

They are running around telling people they are not going to rewrite the insurance. That is not what they are doing, telling the taxpayers they can extract the dollars. There may be some people that cannot afford this coverage. That is a different issue. But, clearly, this industry is rapidly rebuilding its reserves, rapidly rebuilding its premium base, rapidly rebuilding its revenues and its capital.

That is what is going on in Wall Street, that is what is going on in the American marketplace, and they are running around Washington with a tin cup suggesting, in many instances, that we should pick up all this liability as a result of a terrorist attack.

I think the committee is on the right track. Unfortunately, the bill now has been saddled with a whole series of issues that threaten to bring down its consideration by both bodies.

I would also raise the point raised by the minority leader that, once again, here we are bailing out an industry that obviously is not a great market force at this very time; and yet we have hundreds of thousands of families that have lost their livelihood, that have no market force, have no ability to make their mortgage payments; and this Congress is about to leave town, about to adjourn.

In spite of the representations of the President of the United States that he was going to have money, that money was taken away last night for unemployment insurance. That money was taken away from the States that could help pay people’s health insurance. That was a Presidential program that was destroyed last night. The Speaker said he was going to work with the majority leader to help people put out of work in the airline industry and elsewhere because of September 11. Nothing has happened on that front.

So what we find here is that the majority party is keeping from us any consideration of help for those people who, as a result of September 11, lost their employment, or those people who lost their employment before September 11 but now see their opportunities greatly diminished. We are going to do nothing for those people. Yet we are here, after the airline industry, and now with the insurance industry.

Clearly, this Congress can see its way to help the most unfortunate people in our society and not make them further victims of the attack on September 11. Mr. Speaker, I submit to the full newspaper article I referred to earlier.

[From the Wall Street Journal, Nov. 15, 2001]

INSURANCE COMPANIES BENEFIT FROM SEPT. 11, STILL SEEK FEDERAL AID

(By Christopher Oster)

For Marsh & McLennan Cos., the Sept. 11 attacks have meant two very different things.

One is personal loss. The world’s largest insurance brokerage lost an employee who worked at the World Trade Center. “It was very painful for us, agonizing for loved ones and close friends,” Jeffrey W. Greenberg, Marsh chairman and chief executive, told employees at a memorial service in St. Patrick’s Cathedral in New York on Sept. 28.

But in the days after the attacks, even as the company was sorting out who was safe and who had perished, it quickly became clear that Sept. 11 presented a tremendous business opportunity for Marsh and other underwriters in the insurance industry. Premiums have surged to sharply higher rates than were common before Sept. 11.

Marsh also accelerated plans to

Within days of the twin towers’ destruction, Mr. Greenberg and top lieutenants began planning to form a new subsidiary to sell insurance to lower-income workers at sharply higher rates than were common before Sept. 11. Marsh also accelerated plans to
launch a new consulting unit to capitalize on heightened corporate fears of terrorism. Vice Chairman Charles A. Davis says the company is merely meeting new marketplace demands for an financial reward for doing that," he says.

Unlike airlines, which are reeling as travelers hesitate to fly, insurers have seen improved prospects since Sept. 11: Insurers expect to have to pay out $80 billion to $70 billion in claims related to the attacks. That sounds daunting, but in fact, it is manageable for an industry that collectively has $300 billion in capital.

Moreover, in response to Sept. 11, insurers are already seeing $10 billion to $15 billion in some lines of commercial and industrial insurance. Nearly all such lines are seeing rate increases of more than 20%. For much of the 1990s, insurers were engaged in a rate war, keeping premiums relatively low. The prospect of large payouts related to the attacks gave the industry grounds for demanding substantial increases.

Sept. 11 payouts will hurt insurers' balance sheets for a number of quarters. The higher rates they are introducing are expected to last for years.

Insurance stocks have jumped 7% since the attacks, outpacing the broader market, and the atmosphere in the industry is one of eager anticipation. Marsh has set aside about $1 billion in outside money to capitalize its new company. Investors volunteered six times that much, and dozens had to be turned away.

Amid these signs of robust health, however, the industry is stressing potential disast er as it pressures Congress for emergency aid. By the end of December, lawmakers are expected to approve legislation under which the government could have to pick up billions of dollars in claims related to future terrorist attacks.

This federal backing would have tremendous financial value to insurers in the event of another disaster. And it would have an imme diate impact, too, emboldening the industry to sell new terrorism coverage, for which it will charge higher premiums. Carriers collect their money now, while the government would help pay any claims later.

Even consumer advocates say newly recognized dangers warrant some sort of broader government assistance. But advocates say the changed terror calculus doesn't justify a wave of steep rate increases for policies unrelated to terrorism—especially at a time of relatively low insurance risk. "It's very opportunistic" of the industry, says Robert Hunter, insurance director for Consumer Federation of America, a Washington, D.C., advocacy group.

In the weeks after Sept. 11, newspapers carried numerous advertisements touting insurers' intent to pay disaster claims promptly. Less often do these companies plan to recoup much of the money they will be sending to policyholders. The decade-long premium price war had been ending before the attacks, as weaker insurers collapsed or retrenched and stronger ones began gradually to charge more. Now, faced with payouts related to Sept. 11, the healthier companies are demanding that their customers share the pain by paying bigger premiums. Some insurance companies are so confident in this strategy that they are expanding operations. Since Sept. 11, at least seven insurers have sold additional shares of stock. An additional six, including Marsh's AIG, a developer with large holdings in midtown Manhattan, including the 50-story Condé Nast building, says his insurance broker has told him that he will be lucky if his premiums increase by only 20% at renewal time this year. "We know of people who are seeing their rates double," Mr. Durst says.

Brookfield Properties Inc., which owns most of the World Financial Center complex adjacent to the World Trade Center, has said that insurers are cutting back on its terrorism coverage. Brookfield said it agreed to cover its liability risk associated with future terrorist attacks but are refusing to reimburse it for property damage or the cost of removing the debris. The Wall Street Journal has offices in Brookfield's World Financial Center property. (Medium-sized and small corporate policyholders are almost as jump. One week after the attacks, Industrial Risk Insurers, a unit of General Electric Co.'s Employers Reinsurance unit, told textile manufacturers in downtown Manhattan that it wouldn't renew Johnston's property-insurance policies, which expired Oct. 31, Bill Henry, a vice president at the Columbus, Ga., company, says it wound up paying $1 million more to a European carrier for a year's coverage, ending in October 2002—a 150% increase. The limit of the new policy is only $350 million, or half of what Johnston previously received from the GE insurance unit. For a company with annual revenue of about $26 billion, "it's a major blow," says Mr. Henry.

Dean Davison, a spokesman for the GE unit, confirms that it has discontinued many of its policies. It is likely that Sept. 11 merely hastened actions that had already been planned for later this year.

GOVERNMENT AID

While aggressively raising premiums, the insurance industry is also seeking government relief in Washington. Ten days after the attacks, a delegation of chief executives, including AIG's Maurice R. Greenberg, the father of the term "corporate terrorism," descended on the capital to lobby President Bush and lawmakers.

The industry leaders sounded an alarm that reinsurance companies—which spread corporate risk by selling insurance policies to the insurance industry—were moving to cancel terrorism-related coverage. The big primary carriers told the politicians they would eliminate almost all terrorism-related coverage, and the government stepped into the role of the reinsurer.

Without this coverage, many lenders would hesitate to finance everything from factories to real estate developments. "The government stepped into the role of the reinsurer. Without this coverage, many lenders would hesitate to finance everything from factories to real estate developments," the government favors government loans to insurers to help pay future terrorism claims.

"This is not a bailout," says Democratic Sen. Christopher Dodd of Connecticut, home to several large carriers. Rather, the government is seeking to encourage underwriters to provide terrorism coverage, he says.

The legislation also gives carriers the con fidence to sell some terrorism policies, for which they are charging much higher premiums. "In the absence of future terrorist attack, such an approach could create economic relief for insurers, to the detriment of policyholders," says Fitch Inc., which provides investors with financial analysis.

Marsh & McLennan sees vast opportunity in this fast-changing environment. The company is primarily an insurance broker, not an insurance writer. It has been limited exposure to Sept. 11 property and liability claims. It took a $173 million charge for the third quarter, which ended Sept. 30, to cover costs related to the attacks. A big piece of that was for payments to families of its own injured and dead employees.

This embarrassment didn't stop Jeffrey Greenberg, now 50 years old, and his subordinates at Marsh from swiftly scouring the post-Sept. 11 business landscape for new opportunities.

The World Trade Center attacks were a devastating blow to the company, which has its headquarters in midtown Manhattan. About 1,900 Marsh employees worked in the twin towers. Within an hour of the attacks, the company had set up a phone bank to assist employees who had flown there. Counseling sessions and memorial services were held daily for weeks.

MODERATE DISRUPTION

From a business perspective, the disaster caused only modest disruption for Marsh, which has 57,000 employees worldwide. On the evening of Sept. 11, Mr. Davis, Marsh's head of its New York and Chicago operations, asked his employees to watch Fox News. "We sent a fax to Mr. Greenberg's home that accounted for the unit's employees—they were all safe—and suggested the formation of a crisis management office that would serve as a new interface with the corporate policies. "We were absolutely thinking about the impact [of the attacks] and
I cannot, however, today stand without responding to the remarks of the minority leader who said, “We don’t get it.” I am appalled that in this instance, when faced with legislation of such magnitude, he would suggest that we don’t know people who are without medical insurance. I have a family member this morning in the hospital without private medical insurance. To suggest that there are those of us in Congress who do not know people who are unemployed, that I do not get it because we do not know the unemployed, I would just advise that in my extended family there have been people on unemployment throughout the course of their lives.

We are here today to respond to a crisis, a national crisis of proportion this Nation has never seen. The vision of the morning of September 11 will never vanish from our minds, and what are we to do in response to this? To say we should postpone, delay, or otherwise obfuscate the ability to respond to this crisis when it is so clear. I cannot conceive that any Member of this Congress, despite their objections to the legislation, has not said, “I would say no to this process. This is a process. We all know there will be a very difficult conference committee at which all of these issues will be visited at length. And let us speak to the one point of contention which brings us to this difficult moment, that is of liability reform. This House has adopted the provisions contained in the proposal before us today not once, but twice. This House, I would point to the fact that the Price-Anderson Act was renewed by this Congress by a voice vote last week, which contains similar provisions.

Some have said we should not buy this pig in a poke because we do not know what is in it. I would point out this Congress has adopted the Swine Flu Act, which has the same liability provisions that this act contains. There is not a platform from which a Member can stand on this floor and say we should not act. Member after Member has said the basic elements of this legislation are, indeed, acceptable to respond to the crisis we potentially face. But if we do not act, the concerns expressed for those unemployed and uninsured will only be aggravated, to a great extent, because there will be more unemployed and uninsured. This opportunity is snatched away from the American economy by our failure to act.

Let us make this clear: this is not an insurance bailout. I do not care if an insurance company makes a profit or a crisis. The point is, they do not care whether a trial lawyer gets his 30 percent cut off an unfortunate victim as a result of loss. That is not our problem. What I care about is how American taxpayers are affected. I care about American taxpayers.

Mr. Speaker, nearly 3 months have passed since the tragic events of September 11, and since that time thousands and thousands of workers have lost their jobs, and they need relief. Their unemployment benefits will run out; they have no health care. We passed an airline bailout the week after the terrorist attacks, and promises were made at that time by the Republican leadership that a worker relief package would follow the following the week. Today, weeks later, we are passing legislation that will provide relief to the American taxpayers and workers who have lost their jobs.

Mr. Speaker, I am going to call a vote on the previous question and ask for its defeat; and if it is defeated, I am going to offer an amendment to the rule.

My amendment will make in order an amendment by the gentleman from New York (Mr. Rangel) or his designee which would provide health and unemployment compensation relief to workers who have lost their jobs.

Mr. Speaker, I ask unanimous consent that the text of the amendment be printed in the RECORD immediately before the vote on the previous question.
November 29, 2001

The SPEAKER pro tempore (Mr. Shimkus). Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time.

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

Mr. Speaker, we have heard a vigorous debate today about this issue. We have heard a good number of speakers say that we did it the hard way. They would have done it the easy way. I think they are right; we did do it the hard way. But I would like to be accused of doing it the right way, doing what is in the best interest of not only the taxpayer, but also in the best interest of people who have needs and who need to make sure that their insurance coverage is done right.

Mr. Speaker, Members have heard the debate on this side from some of our brightest. The gentleman from Ohio (Chairman Oxley), the gentleman from Wisconsin (Chairman Sensenbrenner), and the gentleman from Louisiana (Chairman Baker) talk about a very difficult issue, and they have delivered on that issue. They worked with the White House and President Bush; and President Bush is proud of the work that they have done.

So whether it was done the hard way or the easy way, it did not matter to me and did not matter to us. We have done it the right way.

Mr. Speaker, I can proudly ask my colleagues to support not only this fair rule, but one which has the underlying legislation which is good for all of America and will ensure that the confidence and the stability of this country is held together. I am very proud of what we have done.

Mr. BAKER. Mr. Speaker, I congratulate and thank Mr. Sessions, Chairman Dreeer and all the members of the Rules Committee for responding to the need to act swiftly on the Terrorism Risk Protection Act by drafting a fair rule that paves the way for our consideration of the Bill on the House floor today. I also wish to thank President Oxley for his leadership on this issue and to recognize the efforts of Ranking Members LaFalce and Kanjorski.

The attacks on New York City and Washington, D.C. on September 11, 2001, resulted in a large number of deaths and injuries, the destruction and damage to buildings, and the interruption of our basic operations. The immediate consequences of the attacks were not only a human tragedy, they were also a financial disaster. The attacks inflicted possibly the largest losses ever incurred by insurers and reinsurers in a single day. Estimates of losses start at about $40 billion and vary significantly upward from there. Fortunately, the insurance and reinsurance industry have the capital capacity to cover such losses and have committed to pay the losses due to the attacks.

However, with the events of September 11, 2001, there is great uncertainty from an underwriter’s perspective. Commercial property and casualty insurance companies have little to no experience in underwriting for the types of terrorist attacks that we experienced in New York City and Washington, D.C. The attacks set a new and very high level for potential severity. Additionally, there is an inability for underwriters to forecast the frequency or nature of future attacks. As a result of this uncertainty, many commercial property and casualty insurers and reinsurers have begun excluding terrorism risk coverage from their policies or providing very limited coverage at high costs. The potential unavailability of terrorism risk coverage for businesses comes at precisely the time when there is the greatest demand for the insurance. Furthermore, insurance coverage is almost universally a requirement of any commercial lending contract. Lenders will simply not provide financing for new or existing construction or other operations without certain that the properties and businesses that they are funding have adequate insurance to protect the lenders’ investment. Thus, the lack of available insurance for terrorism risk has adverse consequences that would spread throughout the entire economy and stifle if not halt its growth.

This week, I come before you today in strong support of H.R. 3210, the Terrorism Risk Protection Act. The temporary risk spreading program established by this Act is a bridge to allow the private market to develop the mechanisms to provide terrorism risk coverage at reasonable cost and sufficient levels, while ensuring that any federal assistance that the U.S. taxpayer in the interim is paid back by the insurance industry and those that benefit from the program.

I urge my fellow colleagues to support this rule and to vote yes on the bill to prevent any further slowdown of our dynamic national economy.

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

The material previously referred to by Ms. Slaughter is as follows: PREVIOUS QUESTION FOR RULE ON H.R. 3210.

TERRORISM RISK INSURANCE ACT

At the end of the resolution add the following new section:

SEC. 2. Notwithstanding any other provision of this resolution, it shall be in order without intervention of any point of order following the disapproval of any amendment printed in the report to accompany the resolution to consider the further amendment printed in Section 3 of this resolution if offered by Representative Rangel or his designee. The amendment shall be considered as read; shall be debatable for one hour, equally divided between a proponent and an opponent, with no more than two minutes for any proponent or opponent. The amendment shall not be subject to a demand for a division of the question. The previous question shall be considered as ordered on the amendment.

SEC. 3. The text of the amendment is as follows:

AMENDMENT OFFERED BY MR. RANGEL

Insert at the end of the following:

SECTION 1. SHORT TITLE ET AL.

(a) Short Title.—This Act may be cited as the “Fiscal Stimulus and Worker Relief Act of 2001”.

TITLE II—WORKER RELIEF

Subtitle A—Temporary Unemployment Compensation

Sec. 201. Short title.


Sec. 203. Temporary Supplemental Unemployment Compensation

Sec. 204. Payments to States having agreements under this subtitle.

Sec. 205. Financing provisions.

Sec. 206. Fraud and overpayments.

Sec. 207. Definitions.

Sec. 208. Applicability.

Subtitle B—Premium Assistance for COBRA Continuation Coverage

Sec. 211. Premium assistance for COBRA continuation coverage.

Subtitle C—Additional Assistance for Temporary Health Insurance Coverage

Sec. 221. Optional temporary medical coverage for certain uninsured employees.

Sec. 222. Optional temporary coverage for unsubsidized portion of COBRA continuation premiums.

TITLE III—TERRORISM RISK INSURANCE

Sec. 301. Short title.

Sec. 302. Federal-State agreements.

Sec. 303. Temporary Terrorism Risk Protection Insurance

Sec. 304. Payments to States having agreements under this subtitle.

Sec. 305. Financing provisions.

Sec. 306. Fraud and overpayments.

Sec. 307. Definitions.
(I) $65, whichever is greater.

(ii) In no event may the total amount determined under clause (i) with respect to any individual exceed the average weekly insured wages of that individual in that calendar quarter of the base period in which such individual’s insured wages were the highest (or one such quarter if his wages were the same for more than one such quarter).

(c) NONREDUCTION RULE.—Under the agreement, subsection (b)(2)(C) shall not apply (or shall cease to apply with respect to a State under a State law) to any individual entitled to be paid any additional compensation under a State law if the method governing the computation or regular compensation under the State law of that State has been modified in a way such that—

(1) the average weekly amount of regular compensation which will be payable during the period of the agreement (determined disregarding the modifications described in subsection (b)(2)) will be less than

(2) the average weekly amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on September 11, 2001.

(d) COORDINATION RULES.—

(1) REGULAR COMPENSATION PAYABLE UNDER A FEDERAL LAW.—The modifications described in subsection (b)(2) shall also apply in determining the amount of benefits payable under any Federal law to the extent that those benefits are determined by reference to regular compensation payable under the State law of the State involved.

(2) TSUC TO SERVE AS SECOND-tier BENEFITS.—Notwithstanding any other provision of law, extended benefits shall not be payable to any individual for any week for which temporary supplemental unemployment compensation is payable to such individual.

(e) EXHAUSTION OF BENEFITS.—For purposes of subsection (b)(3)(A), an individual shall be considered to have exhausted such individual’s rights to regular compensation under a State law when—

(1) the amount of temporary supplemental unemployment compensation which will be payable during the period of the agreement (determined disregarding the modifications described in subsection (b)(2)) will be less than

(2) the terms and conditions of the State law which claim for regular compensation and to the payment thereof shall apply to claims for temporary supplemental unemployment compensation and the payment thereof are inconsistent with the provisions of this subtitle or with the regulations or operating instructions of the Secretary promulgated to carry out this subtitle.

(f) WEEKLY BENEFIT AMOUNT, TERMS AND CONDITIONS, ETC., RELATING TO TSUC.—For purposes of any agreement under this subtitle—

(1) the amount of temporary supplemental unemployment compensation payable to any individual for whom a temporary supplemental unemployment compensation account is established under section 203 shall not exceed the amount established under section 203;

(2) the average weekly amount for any week is the amount of regular compensation (including dependents’ allowances) payable to such individual based on the weekly benefit amount by the applicable factor under paragraph (3).

(2) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual’s weekly benefit amount for any week is the amount of regular compensation (including dependents’ allowances) payable under the State law to such individual for a week for which total unemployment in such individual’s benefit year begins or ends during a period of high unemployment within such individual’s State, in which case the applicable factor is 26.

(B) PERIOD OF HIGH UNEMPLOYMENT.—For purposes of this paragraph, a period of high unemployment within a State shall begin and end, if at all, in a way (to be set forth in the State’s agreement under this subtitle) similar to the way in which an extended benefit period would under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970, subject to the following:

(a) In General.—Any State which desires to do so may enter into and participate in an agreement under this subtitle with the Secretary of Labor (hereinafter in this subtitle referred to as the “Secretary”). Any State which is a party to an agreement under this subtitle shall have the right to establish the maximum amount of temporary supplemental unemployment compensation payable to an individual under the State law for any period of time during which such State participates in an agreement under this subtitle.

(b) PROVISIONS OF AGREEMENT.—(1) IN GENERAL.—Under subsection (a) shall provide that the State agency of the State shall—

(A) payments of regular compensation to individuals in amounts and to the extent that those benefits are determined by reference to regular compensation payable under the State law of the State involved.

(B) payments of temporary supplemental unemployment compensation to individuals who—

(i) have exhausted all rights to regular compensation under the State law,

(ii) do not, with respect to a week, have any rights to compensation (excluding extended compensation) under the law of any other State (whether one that has entered into an agreement under this subtitle or otherwise) or compensation under any other Federal law (other than under the Federal-State Extended Unemployment Compensation Act of 1970), and are not paid or entitled to be paid any additional compensation under any other Federal law, and

(iii) are not receiving compensation with respect to such week under the unemployment compensation law of Canada.

(2) MODIFICATIONS DESCRIBED.—The modifications described in this paragraph are as follows:

(A) An individual shall be eligible for regular compensation if the individual would be so eligible, determined by applying—

(i) the base period that would otherwise apply under the State law if this subtitle had not been enacted, or

(ii) a base period ending at the close of the calendar quarter most recently completed before the date of the individual’s application for benefits,

whichever results in the greater amount.

(B) An individual shall not be entitled to regular compensation under the State law’s provisions relating to availability for work, active search for work, or refusal to accept work, applied by virtue of the fact that such individual is seeking, or available for, only part-time (and not full-time) work.

(C) Subject to subparagraph (A), an individual shall be entitled to the amount of regular compensation (including dependents’ allowances) payable for any week shall be equal to the amount determined under the State law if the application of this paragraph, plus an additional—

(I) 25 percent, or

(II) $65, whichever is greater.

(ii) In no event may the total amount determined under clause (i) with respect to any individual exceed the average weekly insured wages of that individual in that calendar quarter of the base period in which such individual’s insured wages were the highest (or one such quarter if his wages were the same for more than one such quarter).
dependents’ allowances) payable to such individual under the State law for a week for total unemployment during such individual’s benefit year.

(2) The form and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for temporary supplemental unemployment compensation and the payment thereof, except where inconsistent with the provisions of this subtitle or with the regulations or operating instructions of the Secretary promulgated to carry out this subtitle, and

(3) the maximum amount of temporary supplemental unemployment compensation payable shall be equal to the weekly benefit amount established for such individual under the State law.

SEC. 203. TEMPORARY SUPPLEMENTAL UNEMPLOYMENT COMPENSATION ACCOUNT.

(a) In General.—Any agreement under this subtitle shall provide that the State will establish, for each eligible individual who files a claim for temporary supplemental unemployment compensation, a temporary supplemental unemployment compensation account, subject to the following:

(1) 100 percent of any regular compensation made payable to individuals by such State by virtue of the modifications which are described in section 202(b)(2)(A) and (B), but only

(b) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, the weekly benefit amount for any week is the amount of regular compensation (including dependents’ allowances) under the State law payable to such individual for a week of total unemployment in such individual’s benefit year.

(c) APPLICABLE FACTORS.—

(1) GENERAL RULE.—The applicable factor under this paragraph is 13, unless the individual’s benefit year begins or ends during a period of high unemployment within such individual’s State, in which case the applicable factor is 26.

(2) PERIOD OF HIGH UNEMPLOYMENT.—For purposes of this paragraph, a period of high unemployment begins at the time a State shall be determined and, if at all, in a manner similar to the way in which an extended benefit period would be determined under section 904(g) of the Federal-State Extended Unemployment Compensation Act of 1970, subject to the following:

(i) To determine if there is a State “on” or “off” indicator, apply section 203(f) of such Act, but—

(1) substitute “5 percent” for “6.5 percent” in paragraph (1)(A)(i) thereof, and

(2) disregard paragraph (a)(A)(ii) thereof and the last sentence of paragraph (1) thereof.

(ii) To determine the beginning and ending dates of a period of high unemployment within a State, apply paragraph (a)(b) of such Act, except that—

(1) in applying such section 203(a), deem paragraphs (1) and (2) thereof to be amended by striking “the third week after”; and

(2) in applying such section 203(b), deem paragraph (1)(A) thereof amended by striking “thirteen” and inserting “twenty-six” and paragraph (1)(B) thereof amended by striking “fourteenth” and inserting “twenty-seventh”.

(d) RULE OF CONSTRUCTION.—For purposes of any computation under paragraph (1) and any determination under section 202(1)(c), the modification described in section 202(b)(2)(C) relating to increased benefits shall be deemed to have been in effect with respect to the entirety of the benefit year involved.

(e) ELIGIBILITY PERIOD.—An individual whose benefit year begins after subsection (b)(3) is 26 shall be eligible for temporary supplemental unemployment compensation for each week of total unemployment in his entire benefit year which begins within such period of high unemployment and, if his benefit year ends within such period, any such weeks thereafter which begin in such period of high unemployment, not to exceed a total of 26 weeks.

SEC. 204. PAYMENTS TO STATES HAVING AGREEMENTS UNDER THIS SUBTITLE.

(a) GENERAL.—Any State shall be entitled to receive under this subtitle an amount equal to—

(1) 100 percent of any regular compensation made payable to individuals by such State by virtue of the modifications which are described in section 202(b)(2)(A) and (B), but only

(b) 100 percent of any regular compensation made payable to individuals by such State by virtue of the fact that its State law contains provisions comparable to the modifications described in section 202(b)(2)(A) and (B), but only

(c) 100 percent of the temporary supplemental unemployment compensation paid to individuals by the State pursuant to such agreement.

(d) DETERMINATION OF AMOUNT.—Subsection (a) payable to any State by reason of such agreement having an agreement under this subtitle shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this subtitle for each calendar month, reduced or increased as the case may be by any amount by which the Secretary finds that the Secretary’s estimates for any prior calendar month were in error, less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(e) ADMINISTRATIVE EXPENSES, ETC.—There is hereby appropriated out of the employment security administration account of the Unemployment Trust Fund (as established by section 901(a) of the Social Security Act) $500,000,000 to reimburse States for the costs of the administration of agreements under this subtitle (including any improvements in technology in connection therewith) and to provide reemployment services to unemployment compensation claimants in States having agreements under this subtitle. Each State’s share of the amount appropriated by this subsection shall be determined by the Secretary according to the factors described in section 302(a) of the Social Security Act and certified by the Secretary to the Secretary of the Treasury.

(f) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as any determination by the Secretary with respect to the entirety of the benefit year involved.

(g) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the amounts described in section 204(a) payable to such State under this subtitle. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification by transfers from the extended unemployment compensation account or, to the extent that there are not sufficient funds in such account (including any improvements in the Federal unemployment account) to the account of such State in the Unemployment Trust Fund.

SEC. 205. FRAUD AND OVERPAYMENTS.

(a) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received any regular compensation or temporary supplemental unemployment compensation under this subtitle to which he was not entitled, such individual—

(1) shall be ineligible for any further benefits under this subtitle in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation, and

(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

(b) REPAYMENT.—In the case of individuals who have received any regular compensation or temporary supplemental unemployment compensation under this subtitle to which they were not entitled, the State shall require such individuals to repay those benefits to the State agency, except that the State agency may waive such repayment if it determines that—

(1) the payment of such benefits was without fault on the part of any such individual, and

(2) such repayment would be contrary to equity and good conscience.

(c) RECOVERY BY STATE AGENCY.—

(1) IN GENERAL.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any regular compensation or temporary supplemental unemployment compensation payable to such individual under this subtitle or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to unemployment during the 3-year period after the date such individuals received the payment of the regular compensation or temporary supplemental unemployment compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such determination is made.

(2) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof containing an opportunity for a fair hearing has been given to the individual, and the determination has become final.

SEC. 206. CONGRESSIONAL RECORD—HOUSE

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extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

SEC. 207. DEFINITIONS.

For purposes of this subtitle—

(a) "State law" shall be considered to refer to the State law of such State, applied in conformance with the modifications described in section 202(b)(2), subject to section 202(c), and

(b) "regular compensation" shall be considered to refer to such compensation, determined under its State law (applied in the manner described in subparagraph (A)), except as otherwise provided or where the context clearly indicates otherwise.

SEC. 208. APPLICABILITY.

(a) IN GENERAL.—An agreement entered into under this subtitle shall apply to weeks of unemployment after the date on which such agreement is entered into, and

(b) SPECIFIED RULES.—Under such an agreement—

(1) the modifications described in section 202(b)(2)(A) (relating to alternative base periods) shall not apply except in the case of initial claims filed after September 11, 2001,

(2) the modifications described in section 202(b)(2)(B)–(C) (relating to part-time employment and increased benefits, respectively) shall apply to weeks of unemployment described in subsection (a), irrespective of the date on which an individual’s claim for benefits is filed, and

(3) the payments described in section 202(b)(1)(B) (relating to temporary supplemental unemployment compensation) shall not apply except in the case of individuals exhausting their regular compensation (as described in clause (i) thereof) after September 11, 2001.

SEC. 209. PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE.

(a) ESTABLISHMENT.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program under which premium assistance for COBRA continuation coverage shall be provided for qualified individuals under this section.

(b) DETERMINATION OF AMOUNT.—Sums under subsection (a) payable to any State by reason of such State having an agreement under this subtitle shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary shall determine to be necessary to enable the Secretary to provide such sums to such State in order to prevent the loss of such State’s share of the amount appropriated by section 901(a) of the Social Security Act, and the Federal unemployment account (as established by section 904(g) of the Social Security Act) to the Secretary of the Treasury. Each State agency of the State in which an agreement is entered into, and

(c) ADMINISTRATIVE EXPENSES, ETC.—There is hereby appropriated out of the employment security administration account of the Unemployment Trust Fund (as established by section 903(a) of the Social Security Act), $500,000,000 to reimburse States for the costs of the administration of agreements under this subtitle (including any improvements in technology in connection therewith) and to provide reemployment services to unemployment compensation claimants in States having agreements under this subtitle. Each State’s share of the amount appropriated by the preceding sentence shall be determined by the Secretary according to the factors described in section 902(a) of the Social Security Act and shall be used, in accordance with subsection (b), for the making of payments (described in section 204(a) to States) in accordance with agreements entered into under this subtitle.

(d) OPPORTUNITY FOR HEARING.—No repayment shall be required of the individual or the State agency or under any Federal law administered by the Secretary or the State agency for any payment of any assistance or allowance with respect to any week of unemployment during the 3-year period after the date such payment was received, from the regular compensation or temporary supplemental unemployment compensation to which they were not entitled, except that no such deduction may exceed 50 percent of the weekly benefit from which such deduction is made.

SEC. 210. FINANCING PROVISIONS.

(a) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act), and the Federal unemployment account (as established by section 904(g) of the Social Security Act) to the Secretary of the Treasury shall be used, in accordance with subsection (b), for the making of payments (described in section 204(a) to States) in accordance with agreements entered into under this subtitle.

(b) OPPORTUNITY FOR HEARING.—The Secretary shall make payments to the State in accordance with such certification by transfers from the Federal unemployment account (as established by section 904(g) of the Social Security Act) to the Secretary of the Treasury Trust Fund.

SEC. 211. PREMIUM ASSISTANCE FOR COBRA CONTINUATION COVERAGE.

(a) ESTABLISHMENT.—Not later than 60 days after the date of enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program under which premium assistance for COBRA continuation coverage shall be provided for qualified individuals under this section.

(b) DETERMINATION OF AMOUNT.—Sums under subsection (a) payable to any State by reason of such State having an agreement under this subtitle shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary shall determine to be necessary to enable the Secretary to provide such sums to such State in order to prevent the loss of such State’s share of the amount appropriated by section 901(a) of the Social Security Act, and the Federal unemployment account (as established by section 904(g) of the Social Security Act) to the Secretary of the Treasury. Each State agency of the State in which an agreement is entered into, and

(c) ADMINISTRATIVE EXPENSES, ETC.—There is hereby appropriated out of the employment security administration account of the Unemployment Trust Fund (as established by section 903(a) of the Social Security Act), $500,000,000 to reimburse States for the costs of the administration of agreements under this subtitle (including any improvements in technology in connection therewith) and to provide reemployment services to unemployment compensation claimants in States having agreements under this subtitle. Each State’s share of the amount appropriated by the preceding sentence shall be determined by the Secretary according to the factors described in section 902(a) of the Social Security Act and shall be used, in accordance with subsection (b), for the making of payments (described in section 204(a) to States) in accordance with agreements entered into under this subtitle.

(d) OPPORTUNITY FOR HEARING.—No repayment shall be required of the individual or the State agency or under any Federal law administered by the Secretary or the State agency for any payment of any assistance or allowance with respect to any week of unemployment during the 3-year period after the date such payment was received, from the regular compensation or temporary supplemental unemployment compensation to which they were not entitled, except that no such deduction may exceed 50 percent of the weekly benefit from which such deduction is made.

SEC. 212. DEFINITIONS.

For purposes of this subtitle—

(a) IN GENERAL.—The terms "compensation", "regular compensation", "extended compensation", "additional compensation", "benefit period", "State agency", "State law", and "week" shall have the respective meanings given such terms under section 202(b) (relating to temporary supplemental unemployment compensation), and section 1001 of title 18, United States Code.

(b) SPECIFIED RULES.—Under such an agreement—

(1) the modifications described in section 202(b)(2)(A) (relating to alternative base periods) shall not apply except in the case of initial claims filed after September 11, 2001, ending before January 1, 2003.

(2) the modifications described in section 202(b)(2)(B)–(C) (relating to part-time employment and increased benefits, respectively) shall apply to weeks of unemployment described in subsection (a), irrespective of the date on which an individual’s claim for benefits is filed, and

(3) the payments described in section 202(b)(1)(B) (relating to temporary supplemental unemployment compensation) shall not apply except in the case of individuals exhausting their regular compensation (as described in clause (i) thereof) after September 11, 2001.
Secretary of the Treasury, in consultation with the Secretary of Labor, shall establish a program under which premium assistance for COBRA continuation coverage shall be provided for qualified individuals under this section.

(2) QUALIFIED INDIVIDUALS.—For purposes of this section, a qualified individual is an individual whose—
(A) establishes that the individual—
(i) on or after July 1, 2001, and before the end of the 1-year period beginning on the date of the enactment of this Act, became entitled to elect COBRA continuation coverage; and
(ii) is entitled to elect such coverage; and
(B) enrolls in the premium assistance program under this section by not later than the end of such period.

(b) LIMITATION OF PERIOD OF ASSISTANCE.—Premium assistance provided under this subsection shall end with respect to an individual on the earlier of—
(1) the date the individual is no longer covered under COBRA continuation coverage; or
(2) 12 months after the date the individual is first enrolled in the premium assistance program established under this section.

(c) PAYMENT, AND CREDITING OF ASSISTANCE.—

(1) AMOUNT OF ASSISTANCE.—Premium assistance provided under this section shall be equal to 75 percent of the amount of the premium otherwise owed by the individual involved for such coverage.

(2) PREMIUMS PAYABLE BY QUALIFIED INDIVIDUAL REDUCED BY AMOUNT OF ASSISTANCE.—Premium assistance provided under this section shall be credited by such administrator (or other entity) against the premium otherwise owed by the individual involved for such coverage.

(d) ALTERNATIVE NOTICE.—

(1) GENERAL NOTICE.—

(A) IN GENERAL.—In the case of notices provided under section 4069(b)(6) of the Internal Revenue Code of 1986 with respect to individuals who, on or after July 1, 2001, and before the end of the 1-year period beginning on the date of the enactment of this Act, became entitled to elect COBRA continuation coverage, such notices shall include an additional notification to the recipient of the availability of premium assistance for such coverage under this section.

(B) ALTERNATIVE NOTICE.—In the case of COBRA continuation coverage to which the notice provided under section 4069(b)(6) of the Internal Revenue Code of 1986 does not apply, the Secretary of the Treasury shall, in consultation with the administrator of the group health plan (or other entity) that provides or administers the COBRA continuation coverage, establish a fiduciary duty of such administrator (or other entity) to enter into such arrangements.

(e) E F FECTIVE DATE.

This section shall take effect upon its enactment, whether or not in the same appropriation act.
(2) ALTERNATIVE NOTICE.—In the case of COBRA continuation coverage to which the notice provision under section 4980B(f)(6) of the Internal Revenue Code of 1986 does not apply, the Treasury Department, or an entity in coordination with administrators of the group health plans (or other entities) that provide or administer the COBRA continuation coverage, shall provide (within 60 days after the date of the enactment of this Act) for the additional notification under this paragraph (1) shall include—
(A) the forms necessary for establishing eligibility for the date of enrollment under subsection (a)(2)(A) and enrolment under subsection (a)(2)(B) in connection with the coverage with respect to each covered employee or other qualified beneficiary;
(B) the name, address, and telephone number necessary to contact the plan administrator and any other person maintaining relevant records in connection with the premium assistance; and
(C) the following statement displayed in a prominent manner: You may be eligible to receive assistance with payment of 75 percent of your COBRA continuation coverage premiums for a duration of not exceeding 12 months.
(3) NOTICE REQUIRED TO REINSTATE COVERAGE.—In the case of such notices previously transmitted before the date of the enactment of this Act, the forms necessary for establishing eligibility described in paragraph (1) who has elected (or is still eligible to elect) COBRA continuation coverage as of the date of the enactment of this Act, the administrator of the group health plan (or other entity) involved or the Secretary of the Treasury (in the case described in the paragraph (1)(B)) shall provide (within 60 days after the date of the enactment of this Act) for the additional notification required to be provided under paragraph (1).
(4) MODEL NOTICES.—The Secretary shall prescribe models for the additional notification required under this subsection.
(f) OBLIGATION OF FUNDS.—This section constitutes a grant of appropriations Acts and represents the obligation of the Federal government to provide for the payment of premium assistance under this section.
(g) PROMPT ISSUANCE OF GUIDANCE.—The Secretary of the Treasury, in consultation with the Secretary of Labor, shall issue guidance under this section not later than 30 days after the date of the enactment of this Act.
(h) DEFINITIONS.—In this section: (1) ADMINISTRATOR.—The term ‘‘administrator’’ has the meaning given such term in section 3(16) of the Employee Retirement Income Security Act of 1974.
(2) COBRA CONTINUATION COVERAGE.—The term ‘‘COBRA continuation coverage’’ means continuation coverage provided pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986 (other than subsection (f)(1) of such section insofar as it relates to pediatric vaccines), part 6 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 (other than under section 609), section 809a of title 5, United States Code, and section 221 of the Public Health Service Act, which provides continuation coverage comparable to such continuation coverage.
(3) GROUP HEALTH PLAN.—The term ‘‘group health plan’’ means a group health plan as defined in section 9832(a) of the Internal Revenue Code of 1986.
The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SLAUGHTER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to clause 9 of rule XX, the Chair will reduce to 5 minutes the minimum time for electronic voting, if ordered, on the question of adoption of the resolution.

The vote was taken by electronic device, and there were—yeas 220, nays 204, not voting 9, as follows: [Roll No. 461] "YEAS—220"

Abercrombie  Ford
Adams  Ganske
Akin  Geith
Armey  Gibson
Bachus  Gingrey
Baker  Gekas
Ballenger  Goins
Barr  Gilchrest
Bartlett  Gillum
Barth  Gilman
Beas  Good
BechTEL  Goss
Bereuter  Goes
Bilirakis  Gralla
Blunt  Granger
Boehlert  Graves
Boehner  Greene (WI)
Bonilla  Greenwood
Bono  Grussi
Boosman  Guthrie
Bovey  Hall (TX)
Brown (SC)  Hanlon
Bryan  Hart
Burr  Hastings (WA)
Burton  Hayes
Buyer  Hayworth
Calderon  Hefner
Calvert  Herger
Camp  Hillery
Cannon  Heflin
Cantor  Hewbert
Cato  Hino
Chabot  Houghton
Chablis  Hulshof
Coble  Hunter
Collins  Hyde
Combest  Isakson
Davis, Tom  Issa
Davis, Joe Ann  Johnson (CA)
Culbreth  Johnson (CT)
Cunningham  Johnson (IL)
Davis, Mike  Johnson (NM)
Deal  Kelloff
DeLauro  Kelly
DeMint  Kennedy (MN)
Diaz-Balart  Kernan
Doolittle  King (NY)
Dreier  Kingston
Duncan  Kirk
Duncan  Knollenberg
Ehlers  Kolbe
Erlch  LaHood
Emanuel  LaHood
English  Latham
Everett  LaTourette
Ferguson  Lauer
Flake  Lewis (CA)
Fletcher  Lewers (KY)
Foley  Linder
Forbes  LoBiondo

NAYS—204

Abercrombie  Ackerman
Allen  Andrews
Baca  Baird
Balducci  Baldwin
Barcia  Barrett
Reccia  Bentzen
Swearingen
Bouche  Boyd
Boswell  Brady (PA)
Brown (FL)  Brown (GA)
Capito  Carnahan
Carlin  Casey
Cleary  Colsen
Columbus  Conn
Cotter  Cotter
Crowley  Cunningham
Davis (CA)  Davis (FL)
Davis (IL)  DeLatre
Deutsch  Dicks
Dingell  Dingell
Doolittle  Doyle
Dukakis  Edwards
Engel  McKinney
Eliot  Etheridge
Evans
Farr
Fattah
Filner
Frank
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Not Voting—9

Carson (IN)  DeFazio
Cooksey  Ford
Cubin  Fuester

Smith (NJ)  Thorne
Souder  Thubot
Stearns  Toppen
Stump  Towns
Summers  Trautman
Upton
Vitter
Walden
Wamp
Watkins (OK)

Nadalafil  Napolitano
Neal  Oberg
Oberstar  Ober
Olver  Orszag
Pallone  Pascrell
Pastor  Payne
Pelosi  Peterson (MN)
Pepin
Pomroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Ross
Roemer
Ross
Roybal-Albalard
Rush
Sabo
Sanchez
Sanders
Sandlin
Saunders
Schakowsky
Schiff
Scott
Serrano
Shepherd
Skelton
Smith (WA)
Snyder
Sois
Spratt
Stenholm
Strickland
Stupak
Tancredo
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MI)
Thurman
Tiber
Towns
Turner
Utaha
Velasquez
Viscosely
Waters
Watson (CA)
Watson (NC)
Weiner
Woolsey
Wyden

Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)

MESSRS. HONDA, OBEE, BARRETT of Wisconsin, RUSH and WU and MS. WOOLSEY changed their vote from "yea" to "nay." Mr. BACHUS and Mr. TANCREDO changed their vote from "nay" to "aye."

So the previous question was ordered. The result of the vote was announced as above recorded.

The SPEAKER pro tempore. Ms. SLAUGHTER, Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 216, noes 202, not voting 15, as follows: [Roll No. 461] "RECORDED VOTE"
The text of H.R. 3210 is as follows:

SEC. 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ‘‘Terrorism Risk Protection Act’’.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

[i] SEC. 1. Short title and table of contents.  
SEC. 2. Congressional findings.  
SEC. 3. Designation of Administrators.  
SEC. 4. Submission of premium information to the Administrator.  
SEC. 5. Triggering determination and covered period.  
SEC. 6. Federal cost-sharing for commercial insurers.  
SEC. 7. Assessments.  
SEC. 8. Terrorism loss repayment surcharge.  
SEC. 9. Administration of assessments and surcharges.  
SEC. 10. Reserve for terrorism coverage under commercial lines of business.  
SEC. 11. State preemption.  
SEC. 12. Consistent State guidelines for coverage for acts of terrorism.  
SEC. 13. Consultation with State insurance regulators and NAIC.  
SEC. 15. Study of potential effects of terrorism on life insurance industries.

SEC. 2. CONGRESSIONAL FINDINGS.

(a) TERRORISM ATTACKS ON THE WORLD TRADE CENTER AND THE PENTAGON ON SEPTEMBER 11, 2001, RESULTED IN A LARGE NUMBER OF DEATHS AND INJURIES, THE DESTRUCTION AND DAMAGE TO BUILDINGS, AND INTERRUPTION OF BUSINESS OPERATIONS.

(b) THE ATTACKS HAVE INFlicted POSSIBLY THE GREATEST DAMAGE TO COMMERCIAL INSURANCE INDUSTRIES IN HISTORY.

(c) THE ATTACKS HAVE INFlicted ON COMMERCIAL INSURANCE INDUSTRIES HISTORICALLY HIGH LOSSES.

(d) THE ATTACKS HAVE INFlicted ON COMMERCIAL INSURANCE INDUSTRIES THE INABILITY TO PRODUCE INSURANCE COVERAGE FOR COMMERCIAL RISK AT MEANINGFUL COVERAGE LEVELS.

SEC. 3. DESIGNATION OF ADMINISTRATORS.

(a) IN GENERAL.—Not later than December 1, 2001, the President shall designate a Federal officer or officers to act as the Administrator or Administrators responsible for carrying out this Act and the responsibilities under this Act to be carried out by each such officer.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that in determining the Administrator or Administrators responsible for any determinations, for purposes of this Act, as to whether a loss was caused by an act of terrorism and whether such loss was caused by one or multiple such events, pursuant to section 5(b), the President should consider the appropriate role of the Assistant to the President for Homeland Security.

SEC. 4. SUBMISSION OF PREMIUM INFORMATION TO ADMINISTRATOR.

To the extent such information is not otherwise available, the appropriate Administrator may require each insurer to submit, to the appropriate Administrator or to the NAIC, a statement specifying the aggregate amount of terrorism coverage written by such insurer for properties and persons in the United States during each calendar year of such insurer and the line of insurance sold by such insurer during such period as the appropriate Administrator may provide.

SEC. 5. TRIGGERING DETERMINATION AND COVERED PERIOD.

(a) IN GENERAL.—For purposes of this Act, a ‘‘triggering determination’’ is a determination by the appropriate Administrator that the insured losses resulting from the event of an act of terrorism occurring during the covered period (as such term is defined in subsection (b)), or the aggregate insured losses resulting from multiple events of acts of terrorism all occurring during the covered period, meet the requirements under either of the following paragraphs:

(1) INDUSTRY-WIDE LOSS TEST.—Such industry-wide losses exceed $1,000,000,000.

(2) CAPITAL SURPLUS AND INDUSTRY AVAILABILITY DETERMINATION.—The Congress finds that:

(1) the terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001, resulted in a large number of deaths and injuries, the destruction and damage to buildings, and interruption of business operations;

(2) the attacks have inflicted possibly the largest losses ever incurred by insurers and reinsurers;

(3) while the insurance and reinsurance industries have committed to pay the losses arising from the September 11 attacks, the resulting disruption has created widespread market uncertainties with regard to the risk of losses arising from future possible terrorist attacks;

(4) such uncertainty threatens the continued availability of United States commercial property insurance for terrorism risk at meaningful coverage levels;

(5) the unavailability of affordable commercial property and casualty insurance for terrorist acts threatens the growth and stability of the United States economy, including impeding the ability of financial services providers to finance commercial property acquisitions and new construction; and

(6) in the past, the private insurance markets have shown a remarkable resiliency in adapting to changed circumstances;

(7) given time, the private markets will diversify and develop risk spreading mechanisms to increase capacity and guard against possible future losses incurred by terrorist attacks;

(8) it is necessary to create a temporary industry risk sharing loan program to ensure the continued availability of commercial property and casualty insurance and reinsurances for terrorism-related risks;

(9) such action is necessary to limit immediate market disruptions, encourage economic stability and facilitate a transition to a viable market for private terrorism risk insurance; and

(10) in addition, it is necessary to repeal portions of the tax law which prohibit the insurance market from developing the necessary reserves to handle possible future losses due to acts of terrorism.

(b) COVERED PERIOD.—For purposes of this Act, the ‘‘covered period’’ is the period beginning on the date of the enactment of this Act and ending on January 1, 2003.

(c) DETERMINATIONS REGARDING EVENTS.—For purposes of subsection (a), the appropriate Administrator shall have the sole authority for determining whether—

(1) an occurrence or event was caused by an act of terrorism;

(2) insured losses from acts of terrorism were caused by one or multiple events or occurrences; and

(3) whether an act of terrorism occurred during the covered period.

SEC. 6. FEDERAL COST-SHARING FOR COMMERCIAL INSURERS.

(a) IN GENERAL.—Notwithstanding a triggering determination, the appropriate Administrator shall provide financial assistance to
commercial insurers in accordance with this section to cover insured losses resulting from acts of terrorism, which shall be repaid in accordance with subsection (e).

(b) MANNER OF DISBURSEMENT.—Pursuant to this section, the appropriate Administrator shall allocate the aggregate assessment amount, with respect to any triggering determination, the amount of financial assistance made available under this section to each commercial insurer that is allocated as an assessment on each commercial insurer that is not in default of any obligation under section 7 to pay assessments or under section 8 to collect surcharges.

(c) AGGREGATE LIMITATION.—The aggregate amount of financial assistance provided pursuant to this section may not exceed $100,000,000,000.

(d) LIMITATIONS.—The appropriate Administrator may establish such limitations as may be necessary to ensure that payments under this section are applied in connection with a triggering determination are made only to commercial insurers that are not in default of any obligation under section 7 to pay assessments or under section 8 to collect surcharges.

(e) REIMBURSEMENT.—Financial assistance made available under this section shall be repaid through assessments under section 7 collected by the appropriate Administrator and surcharges remitted to the appropriate Administrator under section 8. Any such amounts collected or remitted shall be deposted into the general fund of the Treasury.

(f) EMERGENCY DESIGNATION.—Congress designates the amount of new budget authority and outlays in all fiscal years resulting from this section as an emergency requirement. The amount of such assessments shall be paid in full at the time of assessment.
"(1) such excess shall be included in gross income under subsection (b)(1)(F) for the following taxable year, and
(ii) if such excess is distributed during such taxable year, the company shall include in such taxable year, the value of such distribution, determined by substituting in lieu thereof ‘‘ and ‘‘ and, by adding at the end of subparagraph (D) thereof.
(b) CONFORMING AMENDMENTS.—
(1) In general.—For purposes of subparagraph (A), a reserve’s limit for any taxable year is such reserve’s allocable share of the national limit for such calendar year in which such taxable year begins.
(2) National limit.—The national limit is $40,000,000,000 ($13,360,000,000 for 2002).
(3) Limit.—
(a) In general.—A reserve’s allocable share of the national limit for any calendar year is the amount which bears the same ratio to the national limit for such year as the company’s net written premiums for commercial lines of business bears to such net written premiums for all companies for commercial line of business.
(b) Exclusion of premiums for insurance not covering declared terrorism losses and for reinsurance.—Subclause (I) shall not apply with respect to premiums for insurance which does not cover declared terrorism losses and premiums for reinsurance.
(c) Determination of net written premiums.—Except as otherwise provided in this section, all determinations under this subsection shall be made on the basis of the amounts required to be set forth on the annual statement approved by the National Association of Insurance Commissioners.
(d) Inflation adjustment of limit.—In the calendar year 2002, the $40,000,000,000 amount in clause (ii) shall be increased by an amount equal to the product of—
(I) such dollar amount, and
(II) the cost-of-living adjustment determined under subsection (f)(3) for such calendar year, determined by substituting ‘‘calendar year 1992’’ for ‘‘calendar year 1992’’ in subparagraph (B) thereof.
If any amount after adjustment under the preceding sentence is not a multiple of $1,000,000, such amount shall be rounded to the nearest multiple of $1,000,000.
(4) Declared terrorism losses.—For purposes of this subsection—
(A) in general.—The term ‘declared terrorism losses’ means, with respect to a taxable year—
(i) the amount of losses and loss adjustment expenses incurred in commercial lines of business that are attributable to 1 or more declared terrorism events, plus
(ii) any nonrecoverable assessments, surcharges, or other liabilities that are borne by the company and are attributable to such events.
(B) Declared terrorism event.—The term ‘declared terrorism event’ means any event declared by the President to be an act of terrorism against the United States for purposes of this section.
(5) Regulations.—The Secretary shall prescribe such regulations as may be appropriate to carry out this subsection, and shall prescribe such regulations after consultation with the National Association of Insurance Commissioners.
(b) Conforming amendments.—
(1) Paragraph (1) of section 832(b) of such Code is amended by striking ‘‘ and ‘‘ at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting in lieu thereof ‘‘ and ‘‘, and by adding at the end of such paragraph the following new subparagraph:—
‘‘(F) net decrease in reserves which is required by paragraph (1) or (3) of subsection
(h) to be taken into account under this subparagraph.’’
(2) Subsection (c) of section 832 of such Code is amended by striking ‘‘and’’ at the end of paragraph (13) and inserting in lieu thereof ‘‘, and’’, and by adding at the end of the following new paragraph:
‘‘(14) The appropriate Administrator shall—
(B) establish such guidelines as are necessary to recover any assessments pursuant to, or in connection with, any acts of terrorism that caused the insured losses resulting in such triggering determination.
(3) Subsection (b) of such section is amended by striking ‘‘and surcharges’’ after the second comma in clause (2).
(b) Insurance reserve guidelines.—
(1) Sense of Congress regarding adoption by states.—It is the sense of the Congress that—
(A) the NAIC should develop appropriate guidelines for commercial insurers and pools regarding maintenance of reserves against the risks of acts of terrorism; and
(B) such guidelines be developed for purposes of regulating commercial insurers doing business in such State.
(2) Consideration of adoption of national guidelines.—Upon the expiration of the 6-month period beginning on the date of the enactment of this Act, the appropriate Administrator shall consider adopting, and may adopt, such guidelines on a national basis in a manner that would supercede any State law regarding maintenance of reserves against such risks.
(c) Rules of the National Association of Insurance Commissioners.—
(1) Sense of Congress.—It is the sense of the Congress that the States should require, by laws or regulations governing the provision of commercial property and casualty insurance that includes coverage for acts of terrorism, that the price of any such terrorism coverage, including the costs of any terrorism related assessments or surcharges under this Act, be separately disclosed.
(2) Adoption of national guidelines.—If the appropriate Administrator determines that the States have not enacted laws or adopted regulations adequately providing for the disclosures described in paragraph (1), the appropriate Administrator, for the period which ends on the date of the enactment of this Act, the appropriate Administrator shall, after consultation with the NAIC, adopt guidelines on a national basis requiring such disclosure in a manner that supercedes any State law regarding such disclosure.
SEC. 7b. CONSULTATION WITH STATE INSURANCE REGULATORS.
The Administrators shall consult with the State insurance regulators and the NAIC in carrying out this Act. The Administrators may make such actions and enter into such agreements and providing such technical and organizational assistance to insurers and State insurance regulators, as may be necessary to provide for the distribution of financial assistance under section 6 and the collection of assessments under section 7 and surcharges under section 8.
SEC. 7b. SOVEREIGN IMMUNITY PROTECTIONS.
(a) Federal cause of action for damages from terrorist acts resulting in triggering determination.—
(1) Federal cause of action for damages.—In general.—If a triggering determination occurs requiring an assessment under section 7 or a surcharge under section 8, there shall exist a Federal cause of action for the recovery by a plaintiff in an action under this Act, be separately disclosed.
(2) Adoption of national guidelines.—If the appropriate Administrator determines that the States have not enacted laws or adopted regulations adequately providing for the disclosures described in paragraph (1), the appropriate Administrator, for the period which ends on the date of the enactment of this Act, the appropriate Administrator shall, after consultation with the NAIC, adopt guidelines on a national basis requiring such disclosure in a manner that supercedes any State law regarding such disclosure.
SEC. 12. CONSULTATION WITH STATE INSURANCE REGULATORS.
(1) Sense of Congress regarding adoption by states.—It is the sense of the Congress that—
(2) Federal cause of action for damages from terrorist acts resulting in triggering determination.—
(1) Federal cause of action for damages.—In general.—If a triggering determination occurs requiring an assessment under section 7 or a surcharge under section 8, there shall exist a Federal cause of action for the recovery by a plaintiff in an action under this Act, be separately disclosed.
(b) DAMAGES IN ACTIONS REGARDING INSURANCE CLAIMS.—In an action brought under this section for damages claimed by an insured pursuant to, or in connection with, any commercial property and casualty insurance providing coverage for acts of terrorism that resulted in a triggering determination:

(1) PROHIBITION OF PUNITIVE DAMAGES.—No punitive damages intended to punish or deter may be awarded.

(2) NONECONOMIC DAMAGES.—(A) Each defendant in such an action shall be liable only for the amount of noneconomic damages allocated to the defendant in direct proportion to the percentage of responsibility of the defendant for the harm to the claimant.

(B) DEFINITION.—For purposes of subparagraph (A), the term “noneconomic damages means damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium, hedonic damages, injury to reputation, and any other nonpecuniary losses of any kind or nature.

(c) RIGHT OF SUBROGATION.—The United States shall have the right of subrogation with respect to any claim paid by the United States under this Act.

(d) PROTECTIVE ORDERS.—The United States or any appropriate Administrator carrying out responsibilities under this Act may seek to prevent or assert privileges ordinarily available to the United States to protect against the disclosure of classified information that is part of the military and State secrets privilege.

SEC. 15. STUDY OF POTENTIAL EFFECTS OF TERRORISM ON LIFE INSURANCE INDUSTRY.

(a) ESTABLISHMENT.—Not later than 30 days after the date of enactment of this Act, the President shall establish a commission (in this section referred to as the “Commission”) to study and report on the potential effects of an act or acts of terrorism on the life insurance industry in the United States and the markets served by such industry.

(b) MEMBERSHIP AND OPERATIONS.—(1) APPOINTMENT.—The Commission shall consist of 5 members, as follows:

(A) The appropriate Administrator, as designated by the President.

(B) Members appointed by the President, who shall be—

(i) a representative of direct underwriters of life insurance within the United States;

(ii) a representative of reinsurers of life insurance within the United States; and

(iii) an officer of the NAIC; and

(iv) a representative of insurance agents for life underwriters.

(2) OPERATIONS.—The chairperson of the Commission shall determine the manner in which the Commission shall operate, including the form and coordination with other governmental entities.

(c) STUDY.—The Commission shall conduct a study of the life insurance industry in the United States, which shall identify and make recommendations regarding—

(1) possible actions to encourage, facilitate, or maintain participation in the life insurance industry in the United States of coverage for losses due to death or disability resulting from an act or acts of terrorism, including the face of threats of such acts; and

(2) possible actions or mechanisms to sustain or supplement the ability of the life insurance industry to provide coverage for losses due to death or disability resulting from an act or acts of terrorism in the event that—

(A) the acts significantly affect mortality experience of the population of the United States over any period of time;

(B) such losses jeopardize the capital and surplus of the life insurance industry in the United States as a whole; or

(C) other consequences from such acts occur.

(d) REPORT.—Not later than 120 days after the date of enactment of this Act, the Commission shall submit to the House of Representatives and the Senate a report describing the results of the study and any recommendations developed under subsection (c).

(e) TERMINATION.—The Commission shall terminate 60 days after submission of the report as provided for in subsection (e).

SEC. 16. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) ACT OF TERRORISM.—(A) IN GENERAL.—The term “act of terrorism” means any act that the appropriate Administrator determines meets the requirements of this subparagraph if the act—

(i) is directed against the United States or any appropriate Administrator carrying out responsibilities under this Act;

(ii) presents a serious threat to the national security of the United States;

(iii) is committed or intended to cause death or serious bodily injury;

(iv) is committed or intended to cause significant property damage; or

(v) is committed or intended to create a serious risk to the public health or safety.

(B) EFFECTIVE DATE.—The term “act of terrorism” shall have the same meaning given such term in section 5(b).

(2) NONECONOMIC DAMAGES.—(A) IN GENERAL.—Noneconomic damages means damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium, hedonic damages, injury to reputation, and any other nonpecuniary losses of any kind or nature.

(B) EFFECTIVE DATE.—The term “noneconomic damages” has the same meaning given such term in section 5(b).

(3) PUNITIVE DAMAGES.—Punitive damages means damages for losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium, hedonic damages, injury to reputation, and any other nonpecuniary losses of any kind or nature.

(4) DEFINITION OF INSURANCE.—The term “insurance” means any contract, transaction, or obligation of an insurer to make payment of money or other thing of value to any person under circumstances creating a quid pro quo relationship.

(5) INSURER.—The term “insurer” means any corporation, association, society, order, firm, company, association, society, order, firm, company, mutual, partnership, individual, aggregation of individuals, or any other legal entity that is engaged in the business of providing property and casualty insurance for persons or property in the United States. Such term includes any affiliates of an insurer.

(6) COMMERCIAL INSURER.—The term “commercial insurer” means any corporation, association, society, order, firm, company, mutual, partnership, individual, aggregation of individuals, or any other legal entity that is engaged in the business of providing commercial property and casualty insurance for persons or properties in the United States. Such term includes any affiliates of a commercial insurer.

(7) COMMERCIAL PROPERTY AND CASUALTY INSURANCE.—The term “commercial property and casualty insurance” means property and casualty insurance that is commercial insurance.

(8) CONTROL.—A company has control over another company if—

(A) the company directly or indirectly or through one or more other persons exercises control, or is empowered to vote 25 percent or more of any class of voting securities of the other company.

(B) the company controls in any manner the election of a majority of the directors or trustees of the other company; or

(C) the appropriate Administrator determines, after notice and opportunity for hearing, that the company directly or indirectly exercises a controlling influence over the management or policies of the other company.

(9) COVERED PERIOD.—The term “covered period” has the meaning given such term in section 5(b).

(10) INDUSTRY-WIDE LOSSES.—The term “industry-wide losses” means the aggregate insured losses sustained by all insurers, from coverage written for persons or properties in the United States, under all lines of commercial property and casualty insurance.

(11) INSURED LOSS.—The term “insured loss” means any loss in the United States covered by commercial property and casualty insurance.

(12) INSURER.—The term “insurer” means any corporation, association, society, order, firm, company, association, society, order, firm, company, mutual, partnership, individual, aggregation of individuals, or any other legal entity that is engaged in the business of providing property and casualty insurance for persons or property in the United States. Such term includes any affiliates of an insurer.

(13) NAIC.—The term “NAIC” means the National Association of Insurance Commissioners.

(14) PROPERTY AND CASUALTY INSURANCE.—The term “property and casualty insurance” means insurance against—

(A) loss of or damage to property;

(B) loss of income or extra expense incurred because of loss of or damage to property; and

(C) third-party liability claims caused by negligence or imposition by statute or contract.

Such term does not include health or life insurance.

(15) STATE.—The term “State” means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(16) STATE INSURANCE REGULATOR.—The term “State insurance regulator” means, with respect to a State, the principal insurance regulatory authority of the State.

(17) TRIGGERING DETERMINATION.—The term “triggering determination” means the meaning given such term in section 5(a).

(18) TRIGGERING EVENT.—The term “triggering event” means, with respect to a triggering determination, the event of an act of terrorism, or the events of such acts, that causes the insured losses resulting in such triggering determination.

(19) UNITED STATES.—The term “United States” means, collectively, the States (as such term is defined in section 5(b)).

SEC. 17. EXTENSION OF PROGRAM.

(a) AUTHORITY.—If the appropriate Administrator determines that action under this...
section is necessary to ensure the adequate availability in the United States of commercial property and casualty insurance coverage for acts of terrorism, the appropriate Administrator may provide by regulation that the provisions of this Act shall continue to apply with respect to a period or periods, as established by the Administrator, that begin after the expiration of the period specified in section 5(b) and end before January 1, 2005.

(b) COVERED PERIOD.—If the appropriate Administrator exercises the authority under subsection (a), notwithstanding section 5(b) and section 16(9), the period or periods established by the appropriate Administrator shall be considered to be the covered period for purposes of this Act.

SEC. 18. REGULATIONS.

The appropriate Administrators shall issue any regulations necessary to carry out this Act.

The SPEAKER pro tempore. In lieu of the amendments recommended by the Committee on Financial Services and the Committee on Ways and Means printed in the bill, an amendment in the nature of a substitute consisting of the text of H.R. 3357 is adopted.

The text of the bill as amended pursuant to House Resolution 297 is as follows:

H.R. 3357
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Terrorism Risk Protection Act”.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Congressional findings.
Sec. 3. Authority of Secretary of the Treasury.
Sec. 4. Submission of premium information to Secretary.
Sec. 5. Initial and subsequent triggering determinations.
Sec. 6. Federal cost-sharing for commercial insurers.
Sec. 7. Assessments.
Sec. 8. Terrorism loss repayment surcharge.
Sec. 9. Administration of assessments and surcharges.
Sec. 10. Application to self-insurance arrangements and offshore insurers and reinsurers.
Sec. 11. Study of reserves for property and casualty insurance for terrorist or other catastrophic events.
Sec. 12. State preemption.
Sec. 13. Consistent State guidelines for coverage for acts of terrorism.
Sec. 14. Consultation with State insurance regulators and NAIC.
Sec. 15. Litigation management.
Sec. 16. Study of the effects of terrorism on life insurance industry.
Sec. 17. Railroad and trucking insurance.
Sec. 18. Study of reinsurance pool system for future acts of terrorism.
Sec. 19. Definitions.
Sec. 20. Covered period and extension of program.
Sec. 21. Regulations.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(1) the terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001, resulted in a large number of deaths and injuries, destruction and damage to buildings, and interruption of business operations;

(2) the attacks have inflicted possibly the largest losses ever incurred by insurers and reinsurers in a single day;

(3) while the insurance and reinsurance industries pay the loss associated with the September 11, 2001, attacks, the resulting disruption has created widespread market uncertainties with regard to the risk of losses arising from possible future terrorist attacks;

(4) such uncertainty threatens the continued availability of United States commercial property and casualty insurance for terrorism risk at meaningful coverage levels;

(5) the unavailability of affordable commercial property and casualty insurance for terrorism-related risks and the long-term stability of the real estate and capital markets is necessary to ensure the adequate availability of affordable commercial property and casualty insurance and reinsurance for terrorism-related risks;

(6) such action is necessary to limit immediate market disruptions, encourage economic stabilization, and facilitate a transition to a viable market for private terrorism risk insurance;

(7) in addition, it is necessary promptly to conduct a study of whether there is a need for reserves for property and casualty insurance for terrorist or other catastrophic events;

(8) terrorism insurance plays an important role in the efficient functioning of the economy and the financing of commercial property acquisitions and new construction and, therefore, the Congress intends to continue to monitor, review, and evaluate the private terrorism insurance and reinsurance marketplace to determine whether additional action is necessary to maintain the long-term stability of the real estate and capital markets.

SEC. 3. AUTHORITY OF SECRETARY OF THE TREASURY.

The Secretary of the Treasury shall be responsible for or establish a program for financial assistance for commercial property and casualty insurers, as provided in this Act.

SEC. 4. SUBMISSION OF PREMIUM INFORMATION TO SECRETARY.

To the extent such information is not otherwise available to the Secretary, the Secretary may require each insurer to submit, to the Secretary or to the NAIC, a statement specifying the net premium amount of coverage written by an insurer under each line of commercial property and casualty insurance sold by such insurer during such periods as the Secretary may provide.

SEC. 5. INITIAL AND SUBSEQUENT TRIGGERING DETERMINATIONS.

(a) IN GENERAL.—For purposes of this Act, a “triggering determination” is a determination by the Secretary that an act of terrorism has occurred during the covered period and that the aggregate insured losses resulting from such occurrence or from multiple occurrences of acts of terrorism all occurring during the covered period, meet the requirements under either of the following paragraphs:

(1) INDUSTRY-WIDE TRIGGER.—Such industry-wide losses exceed $1,000,000,000.

(2) INDIVIDUAL INSURER TRIGGER.—Such industry-wide losses exceed $100,000,000 and some portion of such losses for any single commercial insurer exceeded—

(A) 10 percent of the total capital surplus of such commercial insurer (as such term is defined by the Secretary); and

(B) 10 percent of the net premium written by such commercial insurer that is in force at the time the insured losses occurred; except that this paragraph shall not apply to any commercial insurer that was not provided with commercial property and casualty insurance coverage prior to September 11, 2001, unless such insurer incurs such losses under commercial property and casualty insurance

SEC. 6. FEDERAL COST-SHARING FOR COMMERCIAL INSURERS.

(a) IN GENERAL.—Pursuant to a triggering determination, the Secretary shall provide financial assistance to commercial insurers in accordance with this section to cover insured losses resulting from acts of terrorism, which shall be repaid in accordance with subsection (e).

(b) AMOUNT.

(1) INDIVIDUAL INSURER TRIGGER.—Subject to subsections (c) and (d), with respect to a triggering determination under section 5(a)(1), financial assistance shall be made available under this section to each commercial insurer in an amount equal to the difference between—

(A) 90 percent of the amount of the insured losses of the insurer as a result of the triggering event; and

(B) $5,000,000.

(2) INDIVIDUAL INSURER TRIGGER.—Subject to subsections (c) and (d), with respect to a triggering determination under section 5(a)(2), financial assistance shall be made available under this section to each commercial insurer in an amount equal to the difference between—

(A) 90 percent of the amount of the insured losses of the insurer as a result of such triggering event; and

(B) the amount under subparagraph (B) of section 5(a)(2).

(c) ADDITIONAL AMOUNTS.—Subject to subsections (c) and (d), if the Secretary determined financial assistance to a commercial insurer pursuant to paragraph (2) of this subsection and subsequently makes a triggering determination pursuant to section 5(a)(1), the Secretary shall provide financial assistance to such insurer in connection with such subsequent triggering determination in addition to the amount of financial assistance provided to such insurer pursuant to paragraph (1) of this subsection in an amount equal to the amount of financial assistance provided pursuant to paragraph (1) of this subsection.

(d) COVERAGE LIMITATION.—

(1) IN GENERAL.—The aggregate amount of financial assistance provided pursuant to this section may not exceed $100,000,000,000,000.

(2) LIMITATION ON COVERAGE FOR PERIODS OF CONFLICTING LOSSES.—It is the sense of the Congress that acts of terrorism resulting in insured losses

SEC. 7. ASSESSMENTS.

There is hereby established a 1 percent surcharge on the premium income earned in the United States by any insurer, from any source, on all nonreinsurance commercial property and casualty insurance policies that are not under the control of any commercial insurer.
greater than $100,000,000,000 would necessitate further action by the Congress to address such additional losses.

(d) LIMITATIONS.—The Secretary may establish procedures as may be necessary to ensure that payments under this section in connection with a triggering determination are made only to commercial insurers that are not in default of any requirement under section 7 to pay assessments or under section 8 to collect surcharges.

(e) REPAYMENT.—Financial assistance made available under this section shall be repaid through assessments under section 7 collected by the Secretary and surcharges remitted to the Secretary under section 8. Any such amount or remitted and deposited into the general fund of the Treasury.

(f) EMERGENCY DESIGNATION.—Congress designates the amount of new budget authority and outlays in all fiscal years resulting from this section as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(e)). Such amount shall be available only to the extent that a request, that includes designation of such amount as an emergency requirement as defined in such Act, is transmitted by the President to Congress.

SEC. 7. ASSESSMENTS.

(a) IN GENERAL.—In the case of a triggering determination, each commercial insurer shall be subject to assessments under this section for the purpose of repaying a portion of the aggregate amount made available under section 6 in connection with such determination.

(b) AGGREGATE ASSESSMENT.—Pursuant to a triggering determination, the Secretary shall determine the aggregate amount to be assessed under this section among all commercial insurers, which shall be equal to the lesser of—

(1) $20,000,000,000; and

(2) the amount of financial assistance paid under section 6 in connection with the triggering determination.

The aggregate assessment amount under this subsection shall be assessed to commercial insurers through an industry obligation assessment made available under section 6 in connection with the triggering determination.

The aggregate assessment amount under this subsection shall be assessed to commercial insurers through an industry obligation assessment made available under section 6 in connection with the triggering determination.

(c) INDUSTRY OBLIGATION ASSESSMENTS.—

(1) IN GENERAL.—Immediately upon the occurrence of a triggering determination, the Secretary shall impose an industry obligation assessment on all commercial insurers, subject to paragraph (3).

(2) AMOUNT.—The aggregate amount of an industry obligation assessment in connection with a triggering determination shall be equal to—

(A) in the case of a triggering determination occurring during the covered period specified in section 20(a), the lesser of—

(i) the difference between (I) $5,000,000,000, and (II) the aggregate amount of any assessments made by the Secretary pursuant to this section during the portion of such covered period preceding the triggering determination; and

(ii) the amount of financial assistance made available under section 6 in connection with the triggering determination; or

(B) such other aggregate industry obligation assessments as may apply pursuant to subsection (g).

(3) TIMING OF MULTIPLE ASSESSMENTS.—

(A) DELAYED IMPOSITION AND AGGREGATION OF ASSESSMENTS.—In the case of any triggering determination occurring within 12 months of the occurrence of a previous triggering determination, any industry obligation assessments under this subsection resulting from such subsequent determination shall be imposed upon the conclusion of the shortest period under subparagraph (B) during which such determination occurs.

(B) QUARTERLY ASSESSMENT PERIOD.—With respect to each triggering determination referred to in subparagraph (A), the quarterly assessment periods under this subparagraph are—

(i) the quarter month that begins upon the imposition of the industry obligation assessment resulting from the triggering determination that occurred most recently before such subsequent triggering determination; and

(ii) each successive 3-month period thereafter that begins during the covered period.

(d) ASSESSMENTS.—

(1) IN GENERAL.—If the aggregate assessment amount in connection with a triggering determination exceeds the aggregate amount of the industry obligation assessment under paragraph (c) in connection with the triggering determination, the remaining amount shall be assessed through one or more, as may be necessary, financing assessments under this subsection.

(2) TIMING.—A financing assessment under this subsection in connection with a triggering determination imposed only upon the expiration of any 12-month period beginning after such determination during which no assessments under this section have been imposed.

(3) LIMITATION.—The aggregate amount of any financing assessments imposed under this subsection on any single commercial insurer during any period shall not exceed the amount that is equal to 3 percent of the net premium for such insurer for such period.

(e) ALLOCATION OF ASSESSMENT.—The portion of the aggregate amount of any industry obligation assessment or financing assessment under this section that is allocated to each commercial insurer shall be based on the ratio that the net premium written by such commercial insurer during the year during which the assessment is imposed bears to the aggregate written premium for such year, subject to section 9 and the limitation under subsection (d)(3) of this section.

(f) NOTICE AND OBLIGATION TO PAY.—

(1) NOTICE.—As soon as practicable after any triggering determination, the Secretary shall notify each commercial insurer in writing of an assessment under this section, which notice shall include the amount of the assessment allocated to such insurer.

(2) EFFECT OF NOTICE.—Upon notice to a commercial insurer, the commercial insurer shall be obligated to pay to the Secretary, not later than 60 days after receipt of such notice, the amount of the assessment on such commercial insurer.

(3) FAILURE TO MAKE TIMELY PAYMENT.—If any commercial insurer fails to pay an assessment pursuant to paragraph (2) for the assessment, the Secretary may take either of the following actions:

(A) CIVIL MONETARY PENALTY.—Assess a civil monetary penalty pursuant to section 9(d) upon such insurer.

(B) INTEREST.—Require such insurer to pay interest on any assessment that the Secretary considers appropriate, on the amount of the assessment that was not paid before the deadline established under paragraph (2) for the assessment, the Secretary may take either of the following actions:

(C) ADDITIONAL ASSESSMENTS.—If the Secretary exercises the authority under section 20(b) to extend the covered period, the aggregate industry obligation amount for purposes of subsection (c)(2)(B) shall, in the case of a triggering determination occurring during the portion of such covered period beginning on the date referred to in section 20(a), be equal to the lesser of—

(1) the difference between (A) $100,000,000,000, and (B) the aggregate amount of any assessments made by the Secretary pursuant to this section during the 12-month period preceding the triggering determination; and

(2) the amount of financial assistance made available under section 6 in connection with the triggering determination.

(h) ADMINISTRATIVE FLEXIBILITY.—

(1) ADJUSTMENT OF ASSESSMENTS.—The Secretary may provide for or require estimations of amounts under this section and may provide for subsequent refunds or require additional payments to correct such estimations, as appropriate.

(2) DEFERRAL OF CONTRIBUTIONS.—The Secretary may defer the payment of part or all of an assessment required under this section to be paid by a commercial insurer, but only to the extent that the Secretary determines that such deferral is necessary to avoid the likely insolvency of the commercial insurer.

(3) TIMING OF ASSESSMENTS.—The Secretary shall make adjustments regarding the timing of assessment and deferral (including the calculation of net premiums and aggregate written premium) as appropriate for commercial insurers that provide commercial property and casualty insurance on a non-calendar year basis.

SEC. 8. TERRORISM LOSS REPAYMENT SURCHARGE.

(a) DETERMINATION OF IMPOSITION AND COLLECTION.—

(1) IN GENERAL.—If, pursuant to a triggering determination, the Secretary determines that the aggregate amount of financial assistance provided pursuant to section 6 exceeds $20,000,000,000, the Secretary shall consider and weigh the factors under paragraph (2) to determine the extent to which a surcharge under this section should be established.

(f) NOTICE AND OBLIGATION TO PAY.—

(1) NOTICE.—As soon as practicable after any triggering determination, the Secretary shall notify each commercial insurer in writing of an assessment under this section, which notice shall include the amount of the assessment allocated to such insurer.

(2) EFFECT OF NOTICE.—Upon notice to a commercial insurer, the commercial insurer shall be obligated to pay to the Secretary, not later than 60 days after receipt of such notice, the amount of the assessment on such commercial insurer.

(3) FAILURE TO MAKE TIMELY PAYMENT.—If any commercial insurer fails to pay an assessment pursuant to paragraph (2) for the assessment, the Secretary may take either of the following actions:

(A) CIVIL MONETARY PENALTY.—Assess a civil monetary penalty pursuant to section 9(d) upon such insurer.

(B) INTEREST.—Require such insurer to pay interest on any assessment that the Secretary considers appropriate, on the amount of the assessment that was not paid before the deadline established under paragraph (2) for the assessment, the Secretary may take either of the following actions:

(C) ADDITIONAL ASSESSMENTS.—If the Secretary exercises the authority under section 20(b) to extend the covered period, the aggregate industry obligation amount for purposes of subsection (c)(2)(B) shall, in the case of a triggering determination occurring during the portion of such covered period beginning on the date referred to in section 20(a), be equal to the lesser of—

(1) the difference between (A) $100,000,000,000, and (B) the aggregate amount of any assessments made by the Secretary pursuant to this section during the 12-month period preceding the triggering determination; and

(2) the amount of financial assistance made available under section 6 in connection with the triggering determination.

(h) ADMINISTRATIVE FLEXIBILITY.—

(1) ADJUSTMENT OF ASSESSMENTS.—The Secretary may provide for or require estimations of amounts under this section and may provide for subsequent refunds or require additional payments to correct such estimations, as appropriate.

(2) DEFERRAL OF CONTRIBUTIONS.—The Secretary may defer the payment of part or all of an assessment required under this section to be paid by a commercial insurer, but only to the extent that the Secretary determines that such deferral is necessary to avoid the likely insolvency of the commercial insurer.

(3) TIMING OF ASSESSMENTS.—The Secretary shall make adjustments regarding the timing of assessment and deferral (including the calculation of net premiums and aggregate written premium) as appropriate for commercial insurers that provide commercial property and casualty insurance on a non-calendar year basis.
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(c) Percentage Limitation.—The surcharge under this section applicable to commercial property and casualty insurance coverage may not exceed, on an annual basis, the amount that is 18 percent of the premium charged for such coverage.

(d) Other Terms.—The surcharge under this section shall:

(1) be based on a percentage of the premium charged, collected, or remitted under section 7 and surcharges under section 8.

(2) (A) in the case of all surcharges assessed under section 8, be based on a percentage of the amount charged for commercial property and casualty insurance within urban areas;

(B) in the case of surcharges assessed under section 8, be based on the average written premium charged for commercial property and casualty insurance within urban areas;

(C) provide for making determinations regarding occurrences of acts of terrorism, including

(1) the economic impact of any such occurrences, as well as any results relating to economic disruption caused by such occurrences;

(2) the potential for public safety costs attributable to such occurrences;

(3) the cost to insurance companies of claims resulting from such occurrences;

(4) the potential for increased losses due to such occurrences;

(5) the potential for increased losses due to such occurrences;

(6) the potential for increased losses due to such occurrences;

(7) the potential for increased losses due to such occurrences.

(3) Effect of Assessments and Surcharges on Urban and Smaller Commercial and Rural Areas and Different Lines of Insurance.—In determining the method and manner of imposing assessments and surcharges, notifying commercial insurance companies of the assessments and surcharges required, collecting payments from and surcharges through commercial insurers, and refunding any excess amounts paid or crediting such amounts against future assessments.

(b) Timing of Coverages and Assessments.—The Secretary may adjust the timing of coverages and assessments provided under this Act to provide for equivalent application of the provisions of this Act to commercial insurers and policies that are not part of the preceding calendar year.

(c) Adjustment.—The Secretary may adjust the assessments charged under section 7 or the surcharges charged under section 8 at any time, as the Secretary determines, on the record after opportunity for a hearing.

(A) has failed to pay an assessment under section 7, or the regulations issued under this Act;

(B) has failed to charge, collect, or remit surcharges under section 8 in accordance with the requirements of, or regulations issued under, this Act;

(C) has imposed any surcharges provided to the Secretary erroneous information regarding premium or loss amounts; or

(D) has otherwise failed to comply with the provisions of, or the regulations issued under, this Act.

(2) Amount.—The amount under this paragraph is the greater of $1,000,000 and, in the case of a failure to collect, any fine, tax, or surcharge amounts in accordance with this Act or the regulations issued under this Act, such amount multiplied by .01.

SEC. 10. APPLICATION TO SELF-INSURANCE ARRANGEMENTS AND OFFSHORE INSURERS AND REINSURERS.

(a) Self-Insurance Arrangements.—The Secretary may, in consultation with the NAIC, apply the provisions of this Act, as appropriate, to self-insurance arrangements by municipalities and other entities, but only if such application is determined before the occurrence of a triggering event and all of the provisions of this Act are applied uniformly to such entities.

(b) Offshore Insurers and Reinsurers.—The Secretary shall ensure that the provisions of this Act are applied uniformly to any offshore or non-admitted entities that provide commercial property and casualty insurance.

SEC. 11. STUDY OF RESERVES FOR PROPERTY AND CASUALTY INSURANCE AGAINST TERRORISM OR OTHER CATASTROPHIC EVENTS.

(a) In General.—The Secretary of the Treasury shall conduct a study of issues relating to terrorism and other catastrophic events and how such reserves should be applied to such events, including

(A) a comparison of the Federal tax treatment of tax-favored reserves with the requirements of, or regulations issued under, this Act;

(B) an analysis of the use of tax-favored reserves for catastrophic events, including the amount of such reserves and the extent to which such reserves are designated for purposes of state law.

(b) Treatment of Prior Review Provisions.—Any authority for prior review and action by a State regulator preempted under paragraph (1) shall be authority to conduct a subsequent review and action on such filings.

SEC. 12. STATE PREEMPTION.

(1) The NAIC, in consultation with the Secretary, shall develop appropriate definitions for acts of terrorism that are consistent with the requirements of, or regulations issued under, this Act.

(2) Each State should adopt the definitions and standards developed by the NAIC for purposes of regulating insurance coverage made available in that State.

(3) In consulting with the NAIC, the Secretary should take into consideration

(a) the economic impact of any such definitions and standards on the availability of commercial property and casualty insurance within urban areas;

(b) the economic impact of any such definitions and standards on the availability of commercial property and casualty insurance within rural areas;

(c) whether it would be appropriate to permit similar reserves for other future catastrophic events, such as natural disasters, taking into account the factors under the preceding section;

(d) any action (including prior approval by the State insurance regulator for such State) other than filing of such rates and forms and rates and forms with such State insurance regulator is preempted to the extent such law requires such additional actions for such insurance coverage.

SEC. 13. CONSISTENT STATE GUIDELINES FOR COVERAGE FOR ACTS OF TERRORISM.

(a) Sense of Congress Regarding Covered Perils.—It is the sense of the Congress that

(1) the NAIC, in consultation with the Secretary, should develop appropriate definitions for acts of terrorism that are consistent with the requirements of, or regulations issued under, this Act;

(2) after consultation with the NAIC, the Secretary should adopt such definitions and standards for acts of terrorism and standards for determinations that are appropriate for this Act.

(b) Insurance Reserve Guidelines.—It is the sense of the Congress that

(1) the NAIC should develop appropriate guidelines for commercial insurers and pools regarding maintenance of reserves against the risks of acts of terrorism; and

(2) each State should adopt such guidelines to ensure that the development of definitions and standards that are appropriate for purposes of this Act; and

(3) after consultation with the NAIC, the Secretary should adopt such definitions and standards for acts of terrorism and standards for determinations that are appropriate for this Act.

(c) Guidelines Regarding Disclosure of Pricing and Terms of Coverage.—It is the sense of the Congress that

(1) the NAIC should develop appropriate guidelines for commercial insurers and pools regarding maintenance of reserves against the risks of acts of terrorism; and

(2) each State should adopt such guidelines to ensure that the development of definitions and standards that are appropriate for purposes of this Act; and

(3) after consultation with the NAIC, the Secretary should adopt such definitions and standards for acts of terrorism and standards for determinations that are appropriate for this Act.

(d) Sense of Congress Regarding Adoption by States.—It is the sense of the Congress that

(1) the NAIC should develop appropriate guidelines for commercial insurers and pools regarding maintenance of reserves against the risks of acts of terrorism; and

(2) each State should adopt such guidelines to ensure that the development of definitions and standards that are appropriate for purposes of this Act; and

(3) after consultation with the NAIC, the Secretary should adopt such definitions and standards for acts of terrorism and standards for determinations that are appropriate for this Act.
(1) SENSE OF CONGRESS.—It is the sense of the Congress that the States should require, by laws or regulations governing the provision of commercial property and casualty insurance, coverage for acts of terrorism, that the price of any such terrorism coverage, including the costs of any terrorism related assessments or surcharges under this Act, be separately disclosed.

(2) ADOPTION OF NATIONAL GUIDELINES.—If the Secretary determines that the States have not enacted laws or adopted regulations adequate to require the disclosure described in paragraph (1) within a reasonable period of time after the date of the enactment of this Act, the Secretary shall, after consultation with the NAIC, adopt guidelines on a national basis requiring such disclosure in a manner that supersedes any State law regarding such disclosure.

SEC. 14. CONSULTATION WITH STATE INSURANCE REGULATORS AND NAIC.

(a) In General.—The Secretary shall consult with the State insurance regulators and the NAIC in carrying out this Act.

(b) Financial Assistance, Assessments, and Surcharges.—The Secretary may take such action under this Act as the Secretary determines necessary to provide for the distribution of financial assistance under section 6 and the collection of assessments and surcharges under this section.

(c) Investigating and Auditing Claims.—The Secretary may, in consultation with the State insurance regulators and the NAIC, investigate and audit claims of insured losses by commercial insurers and otherwise require verification of amounts of premiums or losses as appropriate.

SEC. 15. LITIGATION MANAGEMENT.

(a) Federal Cause of Action for Claims Relating to Terrorist Acts.

(1) In general.—Subject to paragraph (2), if the Secretary makes a determination pursuant to section 5(b) that one or more acts of terrorism occurred, there shall exist a Federal civil action of which, which except as provided in subsection (b), shall be the exclusive remedy for claims arising out of, relating to, or resulting from such acts of terrorism.

(2) Determination referred to in paragraph (1)—

(A) shall not be subject to judicial review; and

(B) shall take effect upon its publication in the Federal Register.

(C) shall be subject to such changes as the Secretary may provide in one or more later determinations made in accordance with the provisions of this paragraph.

(3) Substantive Law.—The substantive law for decision in any such action shall be derived from the law, including choice of law principles, of the State in which such acts of terrorism occurred, unless such law is inconsistent with or preempted by Federal law.

(4) Jurisdiction.—For each determination under this section, the Judicial Council of Multidistrict Litigation shall designate one or more district courts of the United States which shall have original and exclusive jurisdiction over all actions for any claim (including any claim for loss of property, personal injury, or death) brought pursuant to this subsection. The Judicial Panel on Multidistrict Litigation shall select and assign to the district court or courts based on the convenience of the parties and the just and efficient conduct of the proceedings. For purposes of determining the district courts designated by the Judicial Panel on Multidistrict Litigation, the district courts of the United States shall be deemed to sit in all judicial districts in the United States.

(5) Limits on Damages.—In an action brought under this subsection for damages:

(A) No punitive damages intended to punish or deter, exemplary damages, or other damages not intended to compensate a plaintiff for actual losses may be awarded, nor may any party be liable for interest prior to the judgment.

(B)(i) Each defendant in such an action shall be liable only for the amount of noneconomic damages for which the defendant is found to be responsible in direct proportion to the percentage of responsibility of the defendant for the harm to the plaintiff, and no plaintiff may recover noneconomic damages unless the plaintiff suffered physical harm.

(ii) For purposes of clause (i), the term ‘noneconomic damages’ means damages for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium, hedonic damages, injury to reputation, and any other nonpecuniary losses.

(6) Collateral Sources.—Any recovery by a plaintiff in an action under this subsection shall be reduced by the amount of collateral source compensation, if any, that the plaintiff has received or is capable of receiving, for any economic damages allocated to the plaintiff.

(7) Attorney Fees.—Reasonable attorneys fees for work performed shall be subject to the discretion of the court, but in no event shall any attorney charge, demand, receive, or collect for services rendered in connection with the recovery of any economic damages allocated to the plaintiff in an action under this subsection, a fee in excess of 25 percent of the economic damage recovery.

SEC. 16. STUDY OF POTENTIAL EFFECTS OF TERRORISM ON LIFE INSURANCE INDUSTRY.

(a) Establishment.—Not later than 30 days after the date of enactment of this Act, the President shall establish a commission (hereinafter referred to as the ‘Commission’) to study and report on the potential effects of an act of terrorism on the life insurance industry in the United States and the markets served by such industry.

(b) Membership and Operations.—

(1) Appointment.—The Commission shall consist of 7 members, as follows:

(A) The Secretary of the Treasury or the designee of the Secretary.

(B) The Chairman of the Board of Governors of the Federal Reserve System or the designee of the Chairman.

(C) The Assistant to the President for Homeland Security.

(D) 4 members appointed by the President, who shall be—

(i) a representative of direct underwriters of life insurance within the United States;

(ii) a representative of reinsurers of life insurance within the United States;

(iii) an officer of the NAIC; and

(iv) a representative of life insurance agents for underwriters.

(E) The chairperson of the Commission shall determine the manner in which the Commission shall operate, including funding, staffing, and coordination with other governmental entities.

(F) Study.—The Commission shall conduct a study of the life insurance industry in the
the United States, which shall identify and make recommendations regarding—

(1) possible actions to encourage, facilitate, and sustain the provision, by the life insurance industry in the United States, of coverage for losses due to death or disability resulting from an act or acts of terrorism, including in the face of threats of such acts; and

(2) possible actions or mechanisms to sustain or supplement the ability of the life insurance industry in the United States to cover death or disability resulting from an act or acts of terrorism in the event that—

(A) such acts significantly affect mortality experience of the population of the United States over any period of time;

(B) such losses jeopardize the capital and surplus of the life insurance industry in the United States for under this Act; or

(C) other consequences from such acts occur, as determined by the Commission, that may significantly affect the ability of the life insurance industry in the United States to independently cover such losses.

(d) Recommendations.—The Commission may make a recommendation pursuant to subsection (c) only upon the concurrence of a majority of the members of the Commission.

(e) Report.—Not later than 120 days after the date of this Act, the Commission shall submit to the House of Representatives and the Senate a report describing the results of the study and any recommendations developed under subsection (c).

(f) Termination.—The Commission shall terminate 60 days after submission of the report pursuant to subsection (e).

SEC. 17. RAILROAD AND TRUCKING INSURANCE STUDY

The Secretary of the Treasury shall conduct a study to determine how the Federal Government can address a possible crisis in the availability and affordability of railroad and trucking insurance by making such insurance for acts of terrorism available on commercially reasonable terms. Not later than 120 days after the date of enactment of this Act, the Secretary shall submit to the Congress a report regarding the results and any recommendations developed under subsection (f).

SEC. 18. STUDY OF REINSURANCE POOL SYSTEM ACTING ON ACTS OF TERRORISM

(a) Study.—The Secretary, the Board of Governors of the Federal Reserve System, and the Comptroller General of the United States shall conduct a study on the advisability and effectiveness of establishing a reinsurance pool system relating to future acts of terrorism to replace the program proposed for under this Act.

(b) Consultation.—In conducting the study under subsection (a), the Secretary, the Board of Governors of the Federal Reserve System, and the Comptroller General shall consult with (1) academic experts, (2) the United Nations Secretariat for Trade and Development, and (3) representatives from the insurance industry, including the NAIC, and such other consumer organizations as the Secretary considers appropriate.

(c) Report.—Not later than 6 months after the date of the enactment of this Act, the Secretary, the Board of Governors of the Federal Reserve System, and the Comptroller General shall jointly submit a report to the Congress on the results of the study under subsection (b).

SEC. 19. DEFINITIONS

For purposes of this Act, the following definitions shall apply:

(1) Act of terrorism.—

(A) In general.—The term ‘‘act of terrorism’’ means any act that the Secretary determines meets the requirements under subparagraph (B), as such requirements are further defined and specified by the Secretary in consultation with the NAIC.

(B) Definition.—The term ‘‘act of terrorism’’ means an act that—

(i) is unlawful;

(ii) causes harm to a person, property, or entity, in the face of a domestic United States air carrier or a United States flag vessel (or a vessel based principally in the United States on which United States flag vessel or United States owned and whose insurance coverage is subject to regulation in the United States), in or outside the United States;

(iii) is committed by a person or group of persons or associations who are recognized, either before or after such act, by the Department of State or the Secretary as an international terrorist group or have conspired with such a group or the group’s agents or surrogates;

(iv) has as its purpose to overthrow or destabilize the government of any country, or to influence the policy or affect the conduct of the government of the United States or any segment of the economy of United States, by coercion; and

(v) is not considered an act of war, except that this clause shall not apply to any act to stop the spread of terrorist arms or technology.

(2) Agent.—The term ‘‘agent’’ means a person, including any officer or employee of the company, who has a legal right to bind the company to agree to an insurance contract.

(3) Affiliate.—The term ‘‘affiliate’’ means, with respect to an insurer, any company that controls, is controlled by, or is under common control with such insurer.

(4) Business.—The term ‘‘business’’ means any act, including in the face of threats of such acts;

(5) Casualty, homeowners, and personal property insurance.—The term ‘‘casualty, home owners, and personal property insurance’’ means—

(A) insurance for acts of terrorism to replace the program proposed for under this Act.

(b) Net Premium.—The term ‘‘net premium’’ means, with respect to a commercial insurer and a year, the aggregate premium amount collected by such commercial insurer for all commercial property and casualty insurance coverage written during such year under all lines of commercial property and casualty insurance by such commercial insurer, less any paid by such commercial insurer to other commercial insurers to reinsure those risks.

(c) Secretary.—The term ‘‘Secretary’’ means the Secretary of the Treasury.

(d) State.—The term ‘‘State’’ means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(e) State insurance regulator.—The term ‘‘State insurance regulator’’ means, with respect to a State, the principal insurance regulatory authority of the State.

(f) Triggering event.—The term ‘‘triggering event’’ means, with respect to a triggering determination, the occurrence of an act of terrorism, or the occurrence of such an act, that caused the insured losses resulting in such triggering determination.

(g) United States.—The term ‘‘United States’’ means, collectively, the States (as such term is defined in this section).

SEC. 20. COVERAGE PERIOD AND EXTENSION OF PROGRAM

(a) Covered Period.—Except to the extent provided otherwise under subsection (b), for purposes of this Act, the term ‘‘covered period’’ means the period beginning on the date of the enactment of this Act and ending on January 1, 2003.

(b) Extension of Program.—If the Secretary determines that extending the covered period is necessary to ensure the adequate availability of the commercial property and casualty insurance coverage for acts of terrorism, the Secretary may, subject to subsection (c), extend the covered period by not more than two years.

(c) Report.—The Secretary may exercise the authority under subsection (b) to extend the covered period only if the Secretary submits to the Congress a report identifying the reasons for such extension.

SEC. 21. REGULATIONS

The Secretary shall issue any regulations necessary to carry out this Act.
it shall be in order to consider a further amendment printed in House Report 107-304, if offered by the gentleman from New York (Mr. LaFalce), or his designee, which shall be considered read and shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent.

The gentleman from Ohio (Mr. Oxley) and the gentleman from New York (Mr. LaFalce) each will control 30 minutes of debate on the bill.

The Chair recognizes the gentleman from Ohio (Mr. Oxley).

Mr. Oxley. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey (Mrs. Roukema).

Mrs. Roukema. Mr. Speaker, I congratulate the chairman for his leadership on this issue, and strongly support the legislation.

Mr. Speaker, I rise in strong support of H.R. 3210, the Terrorism Risk Protection Act and want to commend Chairman Oxley for his leadership on this important issue. The legislation that we are considering here today represents a balanced approach to a difficult problem. It not only will allow the industry to move forward in providing continued terrorist coverage but it will protect the American taxpayer.

While the industry is able to pay the $40–50 billion in claims resulting from the September 11 attack, it will need our help to protect against a future of terrorism. The insurance industry is a business of estimating risks on events that cannot be predicted with any certainty such as earthquakes, fires, hurricanes and floods. These types of events are priced according to history of catastrophic events over time. But the World Trade terrorist disaster has no precedents. There is no possible way to price for the likelihood of another occurrence or the size of the potential loss.

Consequently, it stands to reason that any future incident of like size could threaten the stability of the property/casualty market. In these uncertain times and given the magnitude of the September 11 event, reinsurance companies are skittish about providing terrorist coverage. If the reinsurance industry excludes terrorist coverage from its policies, the primary insurers will find it difficult to provide coverage without risking the financial health of their companies.

The lack of coverage has become an immediate issue for many companies that are subject to short-term cancellation provisions (including many aviation businesses) or that had October 2001 renewal dates. It has the potential to become a nationwide crisis January 1, 2002, when most commercial policies are up for renewal. Companies may find terrorism insurance impossible to buy. This could have a serious ripple effect on the mortgage and real estate industries.

Congress must head off this danger. The industry needs the certainty of this legislation to renegotiate their contracts prior to the January 2002 deadlines.

The key elements of this bill includes provisions that are modeled after existing State risk-sharing insurance programs. The bill sets a trigger at $100 million for small insurers and $1 billion as an industry wide aggregate and provides the proponent and an opponent 90 percent of the federal share with 10 percent individual company retention. Companies would be required to payback the first $20 billion in losses through assessments and allowed to recoup subsequent losses through commercial policyholder surcharges.

Finally, this bill provides important liability reforms for private businesses that could be affected by future terrorist attacks. We need only look at the 1993 World Trade Center bombing to understand the need for these important reforms. The 1993 World Trade Center bombing resulted in 500 lawsuits by 700 individuals against terrorist insurance companies. Damages claimed amounted to $550 million, and those cases are just now getting started. It is unthinkable that we would not provide innocent businesses protection against terrorist-inspired litigation. Businesses and property owners are vulnerable to attacks seeking to cause mass destruction. This bill includes common sense reforms that will assure the continued availability of affordable insurance.

Let me remind my colleagues that provisions to limit punitive damages and attorney fees were included in the Airline Security Act that originally passed the House with one distinct difference—H.R. 3210 does not cap damage awards. The litigation management provisions in H.R. 3210 would also benefit victims of future terrorist attacks.

H.R. 3210 represents a balanced approach that will give the insurance industry the short-term assistance they need and will protect the paying consumer by asking that every dollar of assistance be repaid.

Mr. Oxley. Mr. Speaker, I yield myself 5½ minutes.

Mr. Oxley. Mr. Speaker, I ask unanimous consent to revise and extend his remarks.

Mr. Oxley. Mr. Speaker, on September 11, the al Qaeda network began a war of terrorism against our Nation. The insidious attack was planned not as a war of terrorism against our Nation. The insidious attack was planned not as a war of terrorism against our Nation. But the bad people who carried out the attack were not their terms; it was to be a war of terrorism against our Nation, as the terrorists were hoping for, and this is why it is absolutely imperative that the House act today to pass this bill.

We crafted legislation in our committee to address this problem. Mr. Speaker, H.R. 3210 creates a temporary risk-spreading program which creates the strongest incentives for consumers to be able to obtain coverage with significant solvency protections to maintain a stable market. We created certainty in terrorist exposure for companies by spreading any terrorism risk across the industry with temporary Federal assistance. But the role of the Federal Government is limited to a helping hand up, not a hand out. Any assistance provided must be repaid by the industry over time.

We also based our bill on systems being used successfully in almost every single State today: the State insurance guarantee funds. These programs provide immediate liquidity up front to ensure that policyholders are paid, and then the costs are collected back from the industry as a whole. It is simple, it works, and we have the programs in place today we can build on.

This is not the approach favored by many in the industry that want free taxpayer money, but it is an approach supported by consumer and taxpayer groups as diverse as the Consumer Federation of America, Americans for Tax Reform, and Citizens Against Government Waste; and it is critical for the House to pass this legislation today to make a clear statement that we are going to protect the economy and we are going to do it in a way that will not put the American taxpayer on the hook or require future tax increases.

We need to get this legislation done today. Time is running out. We passed H.R. 3210 out of committee with 35 bipartisan cosponsors on a nearly unanimous voice vote. Since then, the only significant changes Congress made were in response to our good-faith commitment to continue working to address Members’ concerns, primarily to speed up the assessments and create more flexibility for rural areas and small towns.

The text made in order by the rule includes additional liability reforms placing limitations on punitive damages and trial lawyer fees for terrorist events. We have been working with Members’ staffs in both parties and will continue to make improvements to the insurance provisions. But the minority is being given two opportunities to amend this bill; and once the
Mr. Speaker, I support limits on legal fees and other liability reforms to ensure that the trial lawyers do not create a rush to the courthouse. I supported more limited reforms in the Committee on Financial Services. I will back the bill with or without the strengthened provisions. But we cannot let the trial lawyers starve us to death. We must act quickly. I am inserting for the RECORD an explanation of certain spending, a matter which falls within the jurisdiction of the Committee on the Budget pursuant to rule X of the Rules of the House of Representatives.

Because of our ongoing willingness to work with the Budget Committee on this matter, and the need to move this legislation expeditiously, I will waive consideration of the bill by the Budget Committee. By waiving such consideration of the bill, the Budget Committee does not waive its jurisdiction over H.R. 3210. In addition, the Committee on the Budget reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation. I ask you to consider any request by the Committee on the Budget for conferees on H.R. 3210 or related legislation. I request that you include this letter and your response as part of your committee's report on the bill. Thank you for your assistance in this matter.

Sincerely,

JIM NUSSELL, Chairman.

H. R. 3210 is pro-consumer, pro-taxpayer, and pro-business. Regardless of whether Members choose to side with the trial lawyers or the liability reforms, we cannot let the terrorists win by disrupting our economy because of failure to do our job in passing this legislation.

I must point out the contributions of the gentleman from Louisiana (Mr. BAKER) to this bill which reflects many of his ideas and much of his energy as well. He, of course, chairs the appropriate subcommittee of our Committee on Financial Services. The gentleman from Alabama (Mr. BACHUS), the gentleman from Texas (Mr. BENTSEN), and many others on the Committee on Financial Services also deserve thanks for a job well done on this bill. The gentleman from Connecticut (Mr. SHAYS), the gentleman from North Dakota (Mr. POMEROY), the gentleman from New York (Mr. FOSSELLA), and the gentleman from New York (Mr. GRUCCI) were early and enthusiastic supporters of our commonsense, pay-back-the-taxpayer approach.

Today it is time to put away egos and forget partisan blustering and special interest politics. It is time to help those Americans who are working to create jobs: the guy who is trying to make a living in a manufacturing plant, or construct a new building.

The 9-11 attack is over, but the economic terrorism goes on and on unless we act. I strongly urge support for this important legislation.

Mr. Speaker, I also want to thank the Chairman of the Budget Committee, Mr. NUSSELL, for his assistance in moving this legislation to the floor quickly. I am inserting for the RECORD an exchange of letters regarding his committee's jurisdictional interest in this legislation.

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

Mr. LAFALCE. Mr. Speaker, I yield myself 5 minutes.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, unfortunately the Republicans are snatching defeat from the jaws of victory. When we worked together, we produced a financial services legislation bill that had not been pulled off in 60 years, but it took true bipartisanship. Just a short time ago, a month or so ago, we worked together in a bipartisan manner. With total bipartisanship, we passed major anti money-laundering legislation, and we stood together with President Bush at the White House signing when he signed and gave the gentleman from Ohio (Mr. OXLEY) and myself pens, the pens he used to sign the PATRIOT bill. We could have done the same thing on this insurance reform. I desperately wanted to. I tried to. We were rebuffed. They snatched defeat from the jaws of victory.

Why so? If the Republicans are victorious today, it is going to be a Pyrrhic victory, but there were certain things that were more important than a good victory. What was more important? Well, they had to include extraneous material within the bill, either because they were forced to do it, or because it is part of a theological belief. And what is that? That we must restrict victims' rights. Forget all lawyers. We are talking about victims.

We are talking about the rights of victims to be able to obtain the retribution that they have been able to pursue from 1776 to now, from the beginning of the Republic to the present. And those rights have evolved over 200-plus years in the several States where they have become the common law of the land, they have been codified in State law; and in one fell swoop we say, we eliminate all State causes of action and there shall be one exclusive Federal cause of action, one exclusive Federal cause of action.

Now, we will look to State law for a little bit of guidance, but certainly not on the issue of damages. On damages, we will eviscerate their rights for economic damages, we will eviscerate their rights for noneconomic damages. And so, if we will eviscerate their rights, we will prohibit their rights, for punitive damages.

That is going to kill this bill, and that is going to greatly, greatly worsen our economy.

Mr. Speaker, they could take one of two approaches. They could say, let us take the best bill we could fashion in a bipartisan manner that might pass muster with the Senate and negotiate differences, send it to the President, or they could say, oh, my gosh, we have a majority of one Democrat in the Senate; therefore, the only approach we can take is to come up with the worst possible bill imaginable, pass that, because that will give us negotiating leverage with the Senate. The worse our bill, the better our negotiating stance. That is what they have done.

This is not about passing a bill. They are not arguing the merits of this bill because they want to see it become the law of the land. They know it never will be. They just want to posture themselves, leverage, to get better leverage in negotiating with Senator DASCHLE, Senator HARKIN, Senator DODD, Senator LIEberman, Senator HOLINGS, et cetera.

In doing this, they are playing Russian roulette. Because what they are doing is they are permitting that Damoclean sword that is hanging over the economy, producing a chilling effect, right now on the provision of credit to businessmen across America. They are permitting that Damoclean sword to fall come January 1, 2002. It is Russian roulette and it need not be.

We could pass a bill: we could pass the substitute that I voted for to the Senate and, with minor changes, be signed by President Bush next week and eliminate that Damoclean sword
Mr. Speaker, our Nation is faced with numerous economic dislocations as a result of the September 11 attacks. A case in point is the legitimate concern that the reinsurance market for terrorism coverage is evaporating and will force primary insurers to increase prices or withdraw coverage. This is not an industry problem. If industry cannot reimburse the risk of further terrorist attacks, it will either not offer terrorism coverage or price it out of the reach of most consumers. The consequences of such a failure to provide insurance for terrorism are dire and will be felt in every part of our fragile economic hangs in the balance.

We must recognize that the crisis is only weeks away, as most policies are coming up for renewal on January 1, 2002. If businesses are forced to go without coverage, lenders will not lend because they require proof of insurance as part of the prudential credit decisions they make. Congress does not have the luxury to make the victim a defendant in the lawsuit over what constitutes the most egregious cases where a defendant willfully or intentionally disregards the safety of the American public. The elimination of punitive damages takes away incentives for businesses to do everything they can reasonably do to protect the American public.

Noneconomic damages are real damages. The loss of a limb, eyesight, constant pain and loss of a loved one are real life-altering events. Limiting their recovery harms the most severely injured victims and discriminates against children, the elderly, and homemakers, who do not receive much in the way of economic damages.

The Republican bill tries to limit victims' access to the civil justice system by capping the fees available to pay the victims' attorneys and threatening them with criminal sanctions for violations of the cap. This particular provision reveals the real motives of the proponents because the provisions do not impose any cap on the fees paid to defendants. It takes away all judicial review relating to the issue of whether terrorism caused the injury, an unprecedented and very likely unconstitutional limitation on victim rights. It eliminates preemption interest, which takes away any incentive for negligent parties to reach settlements. It mandates collateral source, which forces victims to choose between seeking money from charities and pursuing a grossly negligent party in court, and permits wrongdoers to take advantage of life and health insurance policies purchased by the victim or the victim's employer.

The Republicans claim that the provisions are needed to protect the taxpayers from paying for excessive damages through the reinsurance mechanism. But, under the Republican bill every penny of assistance is not to go to the taxpayers but the insurance industry. If they were really concerned with limiting taxpayer exposure rather an aggressive and radical tort reform agenda, why is there no limitation on property damages under the bill? Does making a family whole means less to my colleagues than making a corporation whole for the loss of a luxurious building?

While I firmly believe these victim compensation restrictions have no place in this bill, we on our side sought to find some common ground on this tort reform issue, so we could build a bill that is important for the economic recovery of this Nation. We presented to the Rules Committee three amendments to modify the provision. But the Republican leadership was unwilling to give the House an opportunity to refine these provisions and arrive at a compromise on an issue that also has the Senate tied up in knots. Instead they insist on pursuing a radical, partisan agenda to limit the compensation needed to make the victims of terrorist attacks whole. Later in this debate, Ranking Member Kanjorski and I will offer a substitute which cures many of the defects of the Republican bill and presents this body with a clean piece of legislation that Members on both sides of the aisle can support.

First, my bill would require a real up-front deductible. The insurance industry would pay the first $5 billion of insured losses in the first year, increasing to $10 billion in the second and third years. Individual company liability would be capped at 7 percent of premiums. The insurance industry has made clear that it would not be able to create a deductible and they were prepared to embrace it when it was under consideration in the Senate. The administration, too, supports such a deductible. It is a sensible mechanism that protects taxpayers and imposes underwriting discipline. It is a necessary part of any legislation that we ultimately send to the President.

At the same time, my bill maintains the sensible assessment provisions of the Oxley bill for losses in excess of the deductible, and imposes a discretionary surcharge on policyholders for losses above $20 billion. I believe these provisions fairly protect the American taxpayer while not overly burdening industry.

Second, to prevent insurance companies from cherry-picking the safest properties and leaving sites which present greater risk uncovered, our substitute, unlike the Republican bill, would require that terrorism coverage be part of property and casualty coverage. This is essential to avoid a situation where insurers would only insure “good risks” and leave large portions of the economy uncovered. This provision would also eliminate any incentive for small businesses to opt out of insurance coverage.

Finally, my bill does not limit victims' rights by denying them the legal redress that they deserve.

Although I cannot support the bill in its present form, I hope we can engage in a bipartisan, collaborative process going forward. Despite our present differences, I do see common ground and I do see how we could meld our approaches. But if we are to get there, it will take respectful bipartisan dialogue, not the gratuitous and unnecessary pushing of ideological agendas. We have little time, and a serious responsibility which we must meet quickly to protect our economy.

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

Mr. Oxley. Mr. Speaker, I am pleased to yield 5 minutes to the gentleman from Louisiana (Mr. Baker), who has done extraordinary work in this regard.

Mr. Baker. Mr. Speaker, I thank the gentleman for his leadership and his courtesy.

I think it appropriate at this point in our debate to talk simply about what is it that this bill does and on what issues are there agreement. It is very clear that through the extensive hearings and work of the committee that much agreement was reached. First, that if there is another unfortunate terrorist attack on this great Nation, that we should not let the secondary effect of that attack to bring terror to our national economy, and that we must respond quickly.

Some have criticized, for example, the concept of first-dollar participation at the moment the event occurs. There are other views that we should wait
until perhaps some $5 billion of dam-
age has been paid out by the indus-
tory before getting government involve-
ment. In other words, after the ter-
rorist event has occurred, let us make
sure the economy suffers for a while
before we respond. This bill takes a dif-
ferent approach. We would get that assis-
tance immediately, not 6 months, not 60 days, but immediately
upon validation that there has been an
event for which there have been losses
that can be substantiated.
Second, since we are providing this
immediate assistance, there should be
some guarantee that this is not viewed
or, in practice, turns out to be a bail-
out of the insurance industry. So this
bill provides for repayment. Yes, we
have a crisis. Yes, there are people who
are suffering. So we say, insurance
company, go help the insured. Make
sure they get the funds necessary to re-
pair those businesses, to get the econ-
omy going again, to make sure we do not
have a second financial crisis. We must
have those who are without medical in-
surance because their company doors
are closed. But when you are profitable
and when you are making money, we
expect you to give the taxpayers their
money back. That is what this bill pro-
vides for. It is a new approach. We will
help, but we expect you to be respon-
sible when you are profitable.
We give the Secretary of the Treas-
ury large discretion in how to imple-
ment the requirements of this legisla-
tion. If we find ourselves in the very
unfortunate event after a terrorist at-
tack that our general economic con-
dition is poor, the Secretary of the
Treasury may use his judgment as to
when and how to recoup repayment to
the taxpayer. But there is a guarantee
that there will be a repayment to the
taxpayer.
So first and foremost, there is bipar-
tisan agreement that this legislation is
not a bailout. It is necessary, an absolutely necessary step to main-
tenance of our economic survival.
Secondly, it is not going to be a gift,
that this money will not go out the
doors of the United States Treasury
never to be seen again.
Third, we act to help not only the big
insurance companies. This proposal's
effect is to help all insurance com-
panies. It is true that the top 25 percent
of all insurance companies out there write
about 80 percent of all property and
casualty premiums in this country.
There are very large companies pro-
viding the bulk of coverage in this
country, but there are an extraor-
dinarily large number of very small
organizations that could not withstand
$5 billion industry-wide loss without
going insolvent themselves. The bill
provides immediate assistance for
small companies. It provides imme-
diate assistance for small businesses by
not requiring terrorism insurance to be
part of the property and casualty cov-
verage. Why is that important?
Our bill provides that one can stipu-
late what the cost of the terrorism
component is separate from the under-
lying property and casualty bill. So
if one is a business owner today who
wants to make sure his property and
casualty insurance premiums have not
been jacked through the ceiling by
some irresponsible insurance execu-
tives, he will be paid last year and look at
what they are asking to be paid this year, and then
out over to one column to the side will
be a little line that says "terrorism risk
premium" and you can identify it.
If you happen to be in Wyoming or on
the great Gulf Coast of Mississippi or
somewhere where you make the judg-
ment that you do not wish to pay that
terrorism premium, you do not have to
pay it. We do not believe we should dictate
to every business owner in America,
you must buy terrorism insurance re-
gardless of what the cost may be, or
what the risk may be to you. So we
provide market opportunity. You can
buy the property and casualty, you can
buy the terrorism component from
company A, you can buy property and
casualty from company B, and the ter-
rorism component from company C. It
is free market at its best. It is a res-
ponsible solution to the problems we
face.
Mr. Speaker, I urge the adoption of
this proposal.
Mr. LAFLANGE. Mr. Speaker, I yield 3
minutes to the gentleman from Pennsyl-
via [Mr. KANJORSKI], the distin-
guished ranking member of the sub-
committee with jurisdiction on this
issue.
Mr. KANJORSKI. Mr. Speaker, I thank
the chairman for yielding time to me, and I will take a moment
to congratulate the chairman of the com-
mittee, the gentleman from Ohio [Mr.
OXLEY], and the chairman of the sub-
committee, the gentleman from Louisi-
a [Mr. PICKERING]. It has been a job well performed as far as mov-
ing a bill that could gain bipartisan
support through the Committee on Fi-
nancial Services.
Unfortunately, with heavy heart, the
product that we are about to vote on
on the floor today does not meet the
standard that it met as it came out of
the Committee on Financial Services.
It has had added to it something called
tort revision, tort reform, some sort of
change.
To most people watching this debate
today, they are going to say, what is
all this thing about liability? We are in
an emergency.
What it means, to say it simply, is
there is an attempt here today with
these new additions to change the his-
tory of responding to liability claims
and civil procedures to settle those
claims, and change significantly the
history of the United States for 200
years by passing this legislation.
It is unworkable. It is not only un-
necessary, it is something the industry
did not ask for. As a matter of fact, in
discussions with the industry, they did
not even ask for support down to dollar
one lost from terrorist events. They
had represented themselves that they
were perfectly able to handle as much
as a $10 billion terrorist attack on the
United States without consequences.
Before they asked us, during the in-
terim of a 2 to 3-year period would be
to provide a mechanism that if a ter-
rorist attack of the magnitude of Sep-
tember 11 occurred, there would be
a mechanism in place that they could
move quickly to resolve the problem
and put the money back into the mar-
tet.
As a result of not having that mecha-
nism, they are unable to sell policies
now with terrorist insurance as part of
the policy face and are asking the right
to not write terrorism policy in this
country. The reinsurance industry will
do not touch this until the experience
table is established as to what rates
they can set for terrorism insurance.
What did the Committee on Finan-
cial Services start with? What did the
White House request? What did the in-
dustry request? That we put together
a stopgap measure to allow normal com-
merce to go on in the United States and
have terrorism protection insurance in
place over the next 3-year pe-
period so we would not stultify or have
a disadvantage result to the economy
as a whole. I call it an economic sta-
bilization bill, that is all it is, to show
that the United States government, at
a time of extreme need and under dan-
ergous circumstances, can put the tax-
payers of the United States in a sup-
pportive situation to a free market in-
stitution, not interfering with the
free market, encouraging the free mar-
et to come back and handle the insur-
ance as it has in the past and will in
the future, but for a period of 1 to 3 or
5 years, that the United States Government
is in there to create a position
that would help the insurance indus-
ty, the real estate industry, the finan-
cial services industry, but most of all,
the economy of the United States.
That has not happened. The one
major reason it has not happened, in
spite of some of the changes, is the new
additions on tort reform or tort revi-
sion are so onerous, so extreme, that
we are asking the American people and
this Congress to forget victims’ rights,
rights of plaintiffs, rights of complain-
ants, and rights of injured people, and
only taking care of the 25 largest com-
panies in the United States who write
94.6 percent of all property and
casualty premiums in this country.
If I wanted to be a demagogue, I
would have had a very strong, bipar-
tisan support to do that; and it
could not have been categorized as a bailout
of the insurance industry.
But it can clearly be labeled a loco-
 motive for tort reform at the wrong
time, at the wrong place, in the wrong bill.
I urge my colleagues to vote down the existing bill, unfortunately, taking some time to come back and work out another bill so we can go to conference and pass this important legislation.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Speaker, I thank the gentleman from Ohio for yielding me the time.

Mr. Speaker, I rise today in strong support of the Terrorism Risk Protection Act. This legislation is essential to not just the insurance industry, but to the entire economy.

Businesses in America face a crisis this year, and they will face a crisis next year if we are unable to obtain commercial insurance coverage, which includes insurance against terrorism losses. Without this insurance coverage, businesses will be unable to obtain financing for new building projects or even maintain their existing weak economy will be served another harsh blow.

With the cowardly acts of September 11, our insurance industry faces a new reality which must be addressed as soon as possible. This is a reality in which terrorism is an inevitable threat, which requires insurance, the cost of which is impossible to predict, and hence, impossible for an insurance company to price.

Because of this, insurance companies are currently unable to offer coverage for impossible future terrorist acts. To prevent this crisis, TRPA would spread the risk for possible future acts out across the insurance industry, giving the industry time to develop their own mechanisms to cover risk for the future. TRPA is designed to provide only the necessary temporary stability to the insurance market and sunset short-ly thereafter.

Unlike some of the solutions put forward, TRPA does not put taxpayers' money at risk. All loans made under the act must be repaid. In addition, the triggers in the bill are low enough to ensure that small insurance companies remain competitive.

Finally, I want to assure my colleagues that the Committee on Financial Services' work on the issue only begins with this legislation. As the chairwoman of the oversight subcommittee, we will be vigorous in our follow-up on every crisis. We must ensure that we do all in our power to provide stability to the industry while we give the private market time to innovate and quickly establish a new market to cover potential terrorism loss.

TRPA is an excellent solution to this crisis and deserves our full support. I ask my colleagues on both sides of the aisle to join me in the strong support of this bill.

Mr. Speaker, obviously, I am pleased that the Financial Services Committee and this House have acted expeditiously on the terrorism reinsurance crisis, and that this legislation is being considered today. Today in this chamber, we are appropriately engaging in a fierce debate over various aspects of how to make this legislation work for insurance consumers. We are debating federal backstops, mandates for coverage, tort reform, and all trying to do the best thing for the American economy—in the hope that this very complex and difficult issue can be resolved by the time Congress adjourns.

But I would appreciate the opportunity, Mr. Speaker, to take just one step back from this debate, and remind us all again why we are here. One of the persons who would have been intimately involved in the creation of a federal terrorism reinsurance program was Charlie McCrann. Charlie was a senior vice president at Marsh and McLennan, the world's largest commercial insurance brokerage firm, and his responsibilities included advocacy at both the state and federal levels. Charlie was a pivotal player on many of the issues surrounding insurance regulation over the years—from the product liability crisis of the 1980s, to the Dingell insurance solvency legislation in the 1990s, to our debates on agent/broker licensing reform as a part of Gramm-Leach-Bliley two years ago. As he spoke on behalf of the firm that sells more business insurance (and reinsurance) than any other firm in the world, this terrorism insurance coverage legislation would have been right down Charlie's alley. As always, he would have done everything in his power to make sure that we craft a bill that restores and calms the market-place without overreaching.

On September 11, Charlie had arrived early to his office on the 100th floor of 1 World Trade Center. Like 294 of his colleagues at Marsh, he perished.

As a profile in the New York Times recently said of him, Charles Austin McCrann was alevelheaded, respected executive, devoted to his wife, Michelle, and children, Derek and Maxine. He was also a splendid attorney and representative of the insurance industry, through his earlier work at the New York Assembly's Insurance Committee, and at the law firm of LeBoeuf, Greene & Rae. At Marsh, where he served since 1979, in addition to his advocacy, he was a regulatory compliance officer, and was responsible for interpreting industry regulations and providing guidance on these regulations to Marsh's brokers throughout the country. He represented the National Association of Insurance Brokers and its successor organization, the Council of Insurance Agents and Brokers, before the National Association of Insurance Commissioners.

I could go on and on.

As a subcommittee chair on the Financial Services Committee, I mourn the fact that Charlie is not in this chamber today witnessing our spirited debate and our actions designed to assist the commercial insurance market-place. And I hope that as this legislation continues to move through the legislative process, we will be mindful of the 500 employees of the world's two largest commercial insurance brokerages—Marsh and Aon—who lost their lives on that horrible day.

Mr. LAFAULCE. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WATERS), the distinguished ranking member of the subcommittee on Financial Institutions and Consumer Credit of the Committee on Financial Services.

Ms. WATERS. Mr. Speaker, I serve on the Committee on the Judiciary and the Committee on Financial Services, both of which have worked very hard in a bipartisan manner to legislate cooperatively in the wake of the events of September 11.

Last month, the Committee on the Judiciary reported out the PATRIOT Act, which addressed the antiterrorism bill. The committee product was a true bipartisan effort and was reported out unanimously.

That product was then abandoned in the Committee on Rules for a partisan, inferior product.

Mr. Speaker, the Terrorism Risk Protection Act, was reported out of the Committee on Financial Services by voice vote. The bill we are debating today is not the product of that committee's good work. It is, instead, a bill that does not contain a deductible for the insurance industry before government steps up to the plate; and even more disturbing, this necessary piece of legislation has become a vehicle for broad-based tort reform.

The Army substitute creates an exclusive Federal cause of action for lawsuits arising out of acts of terrorism, prohibits punitive damages, prohibits joint and several liability, limits attorney fees, and requires any victim compensation shall be reduced by any amount the victim receives from other sources.

These tort reform provisions are broad and far-reaching. These provisions are an apparent attempt by anti-consumer legislators to use this bill to further their own agenda by changing the laws on victim compensation. They would never get away with this under normal circumstances, but these are not normal circumstances.

We have to respond quickly to the events of September 11, and we should do so in a bipartisan manner. I find it utterly shameful that certain Members see fit to exploit this terrible tragedy by using necessary legislation as a vehicle for special interest items.

Unfortunately, this crass opportunism is becoming the hallmark of this House. So far, we have seen attempts to load up bills that respond to this tragedy with all sorts of tax breaks and Christmas presents for corporate America, while we still have not taken care of the unemployed.

Mr. Speaker, this bill has been corrupted with these harsh limitations on victim compensation. These limitations are unrelated to the issue at hand and have no place in this bill. I urge my colleagues to oppose this legislation and support the LaFalce substitute, which contains no limitations on tort actions or recoveries.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 3 minutes to the gentlewoman from Illinois (Mrs. BIGGERT), a valued member of our committee.

Mrs. BIGGERT. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, the insured losses from September 11 attacks are expected to total more than $70 billion, the largest insured catastrophic loss in history.
The good news is that the insurance industry is paying these claims and has stated that all claims will be paid expeditiously.

The bad news is that the insurance industry cannot withstand multiple events of this magnitude without harming all consumers. This uncharted territory, and it will take some time for an efficient market for terrorism insurance to develop. That is why passage of H.R. 3210 is so important at this critical time.

For Congress, I think that this bill applies only to the market for commercial insurance, they should think again. Right now there are more than 140 public self-insured risk pools operating in 41 States; and they, too, will be covered by this bill.

What are public, self-insured risk pools? They are the entities that provide coverage for those most often at the greatest risk: our firefighters and police officers, our children in schools, teachers, city workers, and many others.

In short, public self-insured risk pools provide an enormous cost saving to State and local taxpayers. When private insurance premiums are prohibitively expensive, the pools allocate the risk across their membership base. Failure to include public risk pools in this bill would have resulted in a dramatic increase in insurance premiums for those providing critical public service and for taxpayers.

I appreciate the strong support this provision received in the committee, especially from the gentleman from Ohio (Chairman OXLEY) and the subcommittee chairman, the gentleman from Louisiana (Mr. BAKER). I look forward to working closely with them to see that this provision is retained in the conference.

Finally, Mr. Speaker, I want to thank the leadership members of the Committee on Financial Services for including key litigation management provisions in this bill. Let us face it, there is no reasonable way for even the most responsible property owner or business to prepare for every conceivable attack by a terrorist. Yet under current law, they would be on the hook for 100 percent of such damages, facing total financial ruin.

This bill limits the potential liability by barring punitive damages and providing other protections if and when the Secretary of the Treasury determines that an act of terrorism has occurred.

Mr. Speaker, H.R. 3210 is a responsible approach to a very difficult situation. By demanding that every tax dollar is repaid, it is a tax cut for taxpayers.

I urge my colleagues to support this legislation.

Mr. LAFAULCE. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina (Mr. WATT), a member of both the Committee on Financial Services and the Committee on the Judiciary.

Mr. WATT of North Carolina. Mr. Speaker, several days after the events of September 11, some of my insurance company representatives who are based in my district approached me and described what would become a very, very serious problem.

Essentially, what they conveyed was that most of the reinsurance in this country, a lot of it is being done by offshore insurers, and that those people were not going to reinsure against terrorism after the events of September 11. It became obvious that there was a serious problem that would need to be addressed, and I committed to work to try to address that problem, both in the Committee on Financial Services and in the Committee on the Judiciary, both of which I am a member of.

We did that in the Committee on Financial Services. We reported out a bill that received virtual unanimous support. Unfortunately, just like the PATRIOT bill, the antiterrorism bill that the House Judiciary had reported out unanimously, the leadership got its hands on the product of our committee and rewrote the bill. They inserted provisions that had little, or nothing, I would submit, to do with the problem that the insurance companies had described. At that initial meeting, the one dealing with reinsurance and the necessity for reinsurance.

This bill has been hijacked, unfortunately, the same way that the so-called PATRIOT bill was hijacked by the leadership, and provisions have been placed in this bill which actually just make it unsupportable.

We are going to have a serious problem if we do not get to a final product on this bill very soon. Insurance policies that are expiring and are having to be renewed will need terrorism coverage, and it is that kind of brinksmanship that I am concerned about; because as the ranking member has indicated, we have taken a situation which could have been resolved easily through bipartisan cooperation, that had been resolved through bipartisan cooperation on our Committee on Financial Services, and the leadership has decided that it would rather play political brinksmanship with this bill.

If a product is not delivered that is satisfactory before the end of this year, I hope that the American people will hold the people who are responsible for this brinksmanship responsible for their conduct, and I encourage my colleagues to vote against this bill today.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman from Ohio (Mr. OXLEY) for his hard work and leadership on this difficult issue.

Constitutionally, before we adjourn, to avert an insurance coverage crisis caused by the increased risk of terrorism against the citizens and businesses of this country, I think that statement is absolutely true. I am proud of the insurance industry and the way it has stood up to what is going to be a $40 billion loss, but there is no question that they cannot do this again tomorrow.

Furthermore, we in our Nation need to figure out how we are going to share this new risk, because if we do not, the cities of America are going to be the victims. It is not going to be the cities of Connecticut. If we do not get this right, it is going to be the cities of Vermont. It is going to be New York, Chicago, San Francisco, Los Angeles, Houston.

Who in their right mind is going to pay the high premiums that will be charged of those who locate in New York? Every one of the big cities will be seen as the likely target for the next terrorist act, and so the premiums for businesses in our cities are going to skyrocket if we do not legislate now, do it right and follow it through over the next few years.

It is hard enough for the cities to attract businesses to them, because cities have so many burdens that often their taxes are high, their police problems are huge, and so on. Now we are going to add to that the highest possible insurance premiums for those companies that are willing to headquarter in New York, Chicago, Los Angeles, and other big cities of America.

We would not do it intentionally, but that is going to be the unintended consequence of not handling this issue correctly. It will be the cities that hurt; not the towns, not the little cities, not all of America. We will have a death knell over economic activity in the big cities of our country.

So I urge support of this legislation. Mr. LAFAULCE. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY), a member of the committee.

Mrs. MALONEY of New York asked to yield her remarks.

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman from New York (Mr. LAFAULCE), the ranking member, for yielding me the time and for his leadership and hard work on this issue.

Our work today is not bailout of the insurance industry. We are simply working to keep our economy on track with a short-term program that addresses the new terrorist threat.

I believe the (Mrs. LAFAULCE) bill recognizes the importance of this potential insurance crisis to our country and the time-sensitive nature of the problem. With 70 percent of reinsurance coverage expiring at the end of the year, we have a limited time to act before the end of the year.

In the Committee on Financial Services, the gentleman from Ohio (Mr. OXLEY), the gentleman from Louisiana (Mr. BAKER), the gentleman from New York (Mr. LAFAULCE) and the gentleman from Pennsylvania (Mr. KANJORSKI) understand the importance of this issue
and they have worked tirelessly to move the process forward. I was particularly concerned with surcharges placed on future policyholders in the bill that the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. Baker) originally introduced. It is my belief that this language would have placed an undue burden on future policyholders just as they are trying to recover from an attack. Working together—we have reached a compromise on this issue—limiting future surcharges to 3 percent of premiums. While we have reached agreement on many issues, I believe the approach taken in the Democratic Substitute is superior to the bill that we are considering today. The goal of any bill should be to restore the availability and affordability of property and casualty insurance.

We do not know where the next attack will be, but we can be pretty sure that right now terrorists are planning to strike again. Hopefully our increased security will thwart any attack, but now is not the time to prospectively limit the rights of individuals to make themselves whole if they are victims of a future attack. Two letters from the Consumer Union, “Although individuals in businesses may be unable to prevent future terrorist attacks and are not directly responsible for those acts, they should be expected to take reasonable and measured actions to promote public safety.” I believe the legal limitations in the Majority bill discourages such conduct.

Furthermore, the LaFalce substitute is more taxpayer friendly by requiring the insurance industry to cover a deductible of $5 billion in the first year and $10 billion in the second. This industry is capable of covering this deductible and does not oppose this provision. Every Member of this House owns an insurance policy and we all face deductibles. This bill to prevent an insurance crisis should not be any different.

Mr. Speaker, I rise in strong support of the LaFalce substitute. Mr. Speaker, viewers of this debate should be clear. Our work today is not a bailout of the insurance industry—we are simply working to keep our economy on track with a short-term intervention. As I have said, this increase could amount to a tax of billions of dollars. I urge my colleagues not to tie outside provision. Every Member of this House owns an insurance policy and we all face deductibles. This bill to prevent an insurance crisis should not be any different.

Unfortunately, I am fairly certain that businesses will pay billions more for insurance in New York in next year—even with Congressional intervention. As I have said, this increase could amount to a tax of billions of dollars. I urge my colleagues not to tie outside provision. Every Member of this House owns an insurance policy and we all face deductibles. This bill to prevent an insurance crisis should not be any different.

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Under the Republican bill, they could not be held responsible. Under the LaFalce substitute they would.

In terms of the process of this bill, I have tried to offer an amendment to require insurers to provide the same data, that same data I recall you that bank curiously provide on the race, ethnicity, gender and location of their policyholders to ensure that they are not discriminating against minority, women or low-income individuals. However, this very modest amendment was not allowed by the Committee on Rules.

If we are to give billions of dollars to the insurance industry, we should at least have basic data to know if they are using those Federal dollars to engage in discriminatory practices. This is only fair.

It is time that this Congress really gets its priorities straight and supports the working men and women in our Nation. The tragic events of September 11 should be viewed as an opportunity for corporate tax cuts and bailouts. Let us put first things first and make sure that our enhanced national security ensures economic security for those who so desperately need our assistance.

Mr. Speaker, I yield 8 minutes to the gentleman from Pennsylvania (Ms. HART), a valuable member of our committee.

Ms. HART. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I have been on both the Committee on Financial Services and on the Committee on the Judiciary and have certainly, like many Members who have spoken, spent some time on this issue and certainly understand the gravity of what we are doing here today, because in January, a little more than 30 days from now, 70 percent of the commercial insurance policies will be up for renewal.

Not only has the Committee on Financial Services received quite a bit of testimony that without legislation, commercial insurers will be unwilling to provide significant terrorism coverage, newspapers have been full of stories about companies finding terrorism coverage impossible to buy.

If businesses are unable to obtain insurance to cover their losses caused by future acts of terror, they will not only potentially be liable for significant damages any terrorist could cause, but they will also face significantly higher financing and other costs. This has the potential to wipe out any beneficial impact of an economic stimulus package that we hope will be passed and signed by the President.

In order to attract capital, companies have to convince investors that their money will not be wiped out. We take steps through this legislation to make sure that that is the case. This is not a bailout. This is a backstop. This is legislation that will give confidence back to your economy, confidence to investors.

It allows for exact pricing so that in the event of another terrorist attack, the government would not only collect the amount of money it needs in accordance with this law, it prevents the creation of another mammoth government agency. In other words, we help finance money temporarily.

This is not giving money away. This is assuring solvency. It is very important. Limiting the legal liability of these insurers by restricting punitive damages is a big part of it. It is very important. Terrorism is not the fault of insurers, it is the fault of the terrorists. It is our job that we take into consideration the realities here.

Mr. Speaker, I appreciate the support of my colleagues, both the gentleman from Ohio (Mr. OXLEY) and the gentleman from Wisconsin (Mr. SENSENBRENNER). I urge support of the bill as it is, H.R. 3210.

Mr. LA Falce. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. INSLEE), a distinguished member of the committee.

Mr. INSLEE. Mr. Speaker, I speak vigorously against this bill because it is radically callous toward reform provisions, and let me explain how radical they are.

It seems to me that we have given a lot of at least lip service to the value of marriage on this floor in a lot of different debates, but look what this bill does. The bill says if a wife loses her husband, firefighter in New York City. She has had the destruction of her relationship with her husband, she is a widow, and let us say this bill becomes law. If this bill becomes law, it says that the only value of that husband to that widow was the value of his paycheck.

This bill would destroy the ability that is now the case in 50 States in this country that when a widow loses her husband she is entitled under American law to noneconomic damages. That is a sound policy, because many of us believe that a husband has a value to a wife that is greater than his paycheck. But the Republican proposal here is based on the proposition that the only meaningful value of a husband to a wife is what he brings home at the end of the month, and that the value of the relationship between a husband and wife is zero under the Republican bill. That is wrong. That is wrong.

The value of a relationship between a husband and wife is worthy of the respect of us individually and worthy of the respect of the American judicial system. This bill is wrong in eliminating that situation. I think it is a sad day when terrorists get to destroy the civil right of an American to recognize the value of their spouse, which under the Republican bill my colleagues are doing. Frankly, I do not know if my colleagues intended to do it, but they accomplish that end, and it is wrong.

But there is a second reason I speak against this bill, Mr. Speaker. If we pass this bill, it will have been after we passed the airline bailout bill, or airline bill, whatever we want to call it, and did not give a dime to the workers, over 100,000 workers who have been laid off. Yet we now pass a bill to help the insurance industry, while I think is the right thing to help the insurance industry, but still without helping laid-off workers with a dime or a nickel.

I now have in the Puget Sound, or will have, 30,000 laid-off workers from the Boeing company alone as a result of this terrorist activity. And what has the Congress done? Nothing. Why do the big dogs always eat first in Congress? It is time to take care of working people. Defeat this bill.

Mr. OXLEY. Mr. Speaker, I yield 2% minutes to the gentleman from New York (Mr. GRUCCI), another valuable member of our committee.

Mr. GRUCCI. Mr. Speaker, I rise today to express my strong support for H.R. 3210, the Terrorist Risk Protection Act.

First, I would like to thank the gentleman from Ohio (Mr. OXLEY), the chairman of the Committee on Financial Services, and the gentleman from Wisconsin (Mr. SENSENBRENNER) for their representation of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, the Republican leadership, and my colleagues on the Committee on Financial Services for their tireless efforts to negotiate a comprehensive line bill, whatever we want to call it, this week to provide the insurance industry, which I think is very important. Terrorism is not the fault of insurers by restricting punitive damages is a big part of it. It is very important.

Limiting the legal liability of these insurers by restricting punitive damages is a big part of it. It is very important. Terrorism is not the fault of insurers, it is the fault of the terrorists. It is our job that we take into consideration the realities here.

Mr. Speaker, I appreciate the support of my colleagues, both the gentleman from Ohio (Mr. OXLEY) and the gentleman from Wisconsin (Mr. SENSENBRENNER). I urge support of the bill as it is, H.R. 3210.

Mr. LaFalce. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. INSLEE), a distinguished member of the committee.

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the continued availability of commercial property and casualty insurance and reinsurance for American consumers. The post-event assessment system provides an incentive to provide coverage, spreads out risk, prevents guessing at costs, and does not take money out of the economy. The system requires that all of the Federal funds used to boost liquidity are paid back by the commercial industry/policyholders over time.

This is sound, effective, and timely legislation; and I urge my colleagues to join me in supporting this critical measure and in supporting the economic stabilization of our country.

Mr. LAFALCE. Mr. Speaker, I yield 5 minutes to the gentleman from North Dakota (Mr. POMEROY), a former insurance commissioner for that great State.

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time, and I commend him and the rest of the leadership of the committee, including Chairman OXLEY, ranking member LAFALCE, Subcommittee Chairman BAKER, and ranking member KANJORSKI for their really terrific work on this matter. This should be the final hour for the Committee on Financial Services.

We have an issue where there is broad bipartisan agreement. We need to act. We need to act now. Because without enactment before we go home, there will be significant capacity consequences in the availability of coverage for terrorism. The ripple effect of that through the economy will be significant. And that is why we have to act.

Now, under these circumstances, committee leadership undertook this difficult assignment of creating some kind of public mechanism to wrap around the private insurance capacity to continue to insure this risk, a risk that is infinitely more grave and significant. Out of this long, rather intense legislative process came a bill that, after committee markup, passed by voice vote, virtually capturing all of the members of the committee.

Now, it was recognized by committee leadership not to be the perfect bill, that more work would be required; but it was the legislative format for the congressional response that, I believe, would have provided direction to the Senate and would have been the principal way in the end we enact this legislation. Well, what happened? This bill: substance and process. And the arguments to get a solution created.

Mr. CANTOR. Mr. Speaker, I commend the gentleman from Ohio (Mr. OXLEY), chairman of the full committee; the gentleman from Louisiana (Mr. BAKER), chairman of the subcommittee; and the gentleman from New York (Mr. LAFAICHE), ranking minority member, for bringing this most critical bill to the floor.

As has been said before, on September 11, thousands of innocent Americans were killed in a savage terrorist attack that no one could ever have imagined. This catastrophe, though, also has left the American economy and American businesses with an insurance crisis. Seventy percent of insurance contracts in this country expire at year’s end. As a small businessperson, I know that there are millions of individuals out there now receiving expiration notices not knowing what to do come year-end. If we look at it, if there is no insurance, business owners across America, both small and large, may all be in default of loan covenants which require collateral to be insured against terrorist strikes. Without this bill, there will be no such insurance.

Some individuals may fear the worst and choose or put a halt to expansion plans. We cannot afford such a loss in our cities and towns. What bank will loan money to build a shopping center or an office building without insurance to protect their investments in such a project? And then where will the jobs be?

H.R. 3210 addresses this impending crisis not by an industry bailout but by extending credit to cover claims associated with terrorist strikes akin to those on 9-11. Such loans will be repaid through industry assessments so that American taxpayers will remain whole.

Mr. Speaker, I also commend both Chairman OXLEY and Chairman BAKER on the very innovative way that this bill tries to provide a resolution to this impending crisis. It does provide a fix.

And I would say we ought to support this bill because of the substance. There are no mandates on terrorism coverage, so, therefore, if there is a small business owner, let us say in Orange, Virginia, who has a small ice cream shop and chooses not to pay for that particular coverage because of the cost, that business owner ought not be made to do so. Yet the bill also provides for protection against those who may seek compensation in lawsuits against a terrorist strike.

Let us not put the bill on the American people; let us put the bill on the terrorists. It is the terrorists who were responsible for the strikes on 9-11 and will be responsible if it occurs in the future.

Mr. Speaker, I urge passage of the bill.

Mr. LAFAICHE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. SHERMAN), a distinguished member of our committee.

Mr. CANTOR. Mr. Speaker, I commend the gentleman from California (Mr. SHERMAN), a distinguished member of our committee.

Mr. SHERMAN. Mr. Speaker, I am sure you have visited Rayburn 2128, the room in which the Committee on Financial Services meets. It is a large and beautiful room, and I would propose that we make that room available to provide housing for the homeless. Because what went on in that room in crafting this bill has nothing to do with the bill that reaches the floor.

Mr. Speaker, if all of our financial services bills are to be written in the Committee on Rules on the third floor of this building, why must people sleep out in the cold when they could be provided housing in room 2128? In fact, we are presented this bill on very short notice, basically 24 hours’ notice, and it has so many changes from the bill that left our committee. One of the flaws with this bill is that it provides first dollar coverage with no deductible. What does this mean? It means that if there is a terrorist event...
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that causes a billion dollars in damage, less one penny, comes within 1 cent of causing a billion dollars of damage, the Federal Government does nothing.

But if instead the damage is a billion dollars, plus one penny, then the taxpayers come forward with $900 million. Never mind that the insurance companies insured so much, and that is clearly absurd.

We need instead a bill that says that the first billion dollars is absorbed by the insurance and reinsurance industry, and only then should taxpayer dollars be paid. What, after all, is the insurance industry if it cannot absorb in total, with all of its companies and all of the reinsurance companies, a billion dollars in risk? If insurance companies cannot take the first billion of risk, then why do they exist? They are, after all, in the risk-sharing and risk-absorption business.

We need a bill. Many speakers who have come forward have explained why it is so important that we pass a bill so that businesses are able to get terrorism insurance; or, rather, continue to get the kind of insurance that they have now without an exception for terrorist damage. That is why it is so important that those who want a bill with a Democratic substitute, because that is a bill that could be passed by both Houses, that is a bill that could be signed into law before we adjourn. That is serious economic policy.

Instead, we have a bill with loath-some, absurd, highly partisan, quote, tort-reform provisions; provisions which everyone knows cannot be passed on a bipartisan basis. I would point out that they deprive those that lose a child of any recourse at all, not one penny, to the parents who lose their child to terrorism.

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

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

Mr. Speaker, this is important legislation. It is legislation that I want to see enacted into law before we adjourn this year. But the substance of the bill before us and the procedure that we have used to get here is atrocious. It is not necessary to take away victims’ rights. This bill does that. It does it in a very heavy-handed manner.

There ought to be a deductible. That is, the insurance industry should be paying the first dollar up to a certain amount and the Federal reimbursement payment should come in only after that. Their bill is grossly deficient in that respect.

Mr. LAFalce. Mr. Speaker, I yield back any time.

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

Mr. Speaker, this legislation is absolutely necessary. That is why this committee is charged by the Speaker to produce a bill, and produced it in virtually the same way. That is why during a day-long markup, it culminated in a voice vote for the legislation. And that is why, frankly, the substitute that is going to be offered by the gentleman from New York (Mr. LAFalce) contains 85-90 percent of the bill that came out of our committee.

Let us understand that most of this debate today, at least on the other side, has been about the provisions, liability reform provisions, and not about the specific areas that were negotiated and worked on and I think is an excellent work product; and, in fact, solves the problem that all of us want to solve, and that is the availability of insurance, or, rather, the availability of credit, the American economy continues to move forward. That is what all of us have as a goal.

As we pass this bill on to the other body, it is important that the House send a strong signal that we are prepared to meet that challenge. This legislation, this underlying legislation, is exactly what the patient needs to provide the kind of stability in the insurance market that all of us desire.

Make no mistake about it, this Congress will not pass this legislation, this type of legislation, before we return home. We have no other choice, it seems to me. If we do not, we face political peril, should the economy start to unravel, with the unavailability of credit in this dynamic marketplace.

Mr. Speaker, my hat is off to all of those who participated in this great endeavor.

Mr. PAUL. Mr. Speaker, I do not doubt that the government has a role to play in compensating American citizens who are victimized by terrorist attacks. However, Congress should not lose sight of fundamental economic and constitutional principles when considering how best to provide the victims of terrorist attacks just compensation. I am afraid that H.R. 3210, the Terrorism Risk Protection Act, violates several of those principles and therefore passage of this bill is not in the best interests of the American people.

Under H.R. 3210, taxpayers are responsible for paying 90 percent of the costs of a terrorist incident that exceed a certain threshold. While insurance companies technically are responsible under the bill for paying back monies received from the Treasury, the administrator of this program may defer repayment of the majority of the subsidy in order to “avoid the likely insolvency of the commercial insurer,” or avoid “unreasonable economic disruption and market instability.” This language may cause administrators to defer indefinitely the repayment of the loans, thus causing taxpayers to permanently bear the loss. This scenario is especially likely when one considers that “avoid . . . likely insolvency, unreasonable economic disruption, and market instability” are highly subjective standards, and that any administrator who attempts to enforce a strict repayment schedule likely will face some under heavy political pressure to be more “flexible” in collecting debts owed to the taxpayers.

The drafters of H.R. 3210 claim that this creates a “temporary” government program. However, Mr. Speaker, what happens in three years if industry lobbyists come to Capitol Hill to extend this program because of the continuing threat of terrorist attacks. Does anyone seriously believe that Congress will refuse to reauthorize this “temporary” insurance program or provide some other form of taxpayer help to the insurance industry? I would like to remind my colleagues that the federal budget is full of expenditures for long-lasting programs that were originally intended to be “temporary.”

H.R. 3210 compounds the danger to taxpayers because it will increase the “moral hazard” problem. A moral hazard is created when individuals have the costs incurred from a risky action subsidized by a third party. In such a case individuals may engage in unnecessary risks or fail to take steps to limit their risks. After all, if a third party will bear the costs of negative consequences of risky behavior, why should individuals invest their resources in avoiding or minimizing risk?

While no one can plan for terrorist attacks, individuals and businesses can take steps to enhance security. For example, I think we would all agree that industrial plants in the United States enjoy reasonably good security. They are protected not by the local police, but by owners putting up barbed wire fences, hiring guards with guns, and requiring identification cards to enter. One reason private firms put these security measures in place is because insurance companies reward them with incentives, in the form of lower premiums, to adopt security measures. H.R. 3210 contains no incentives for this private activity. The bill does not even recognize the important role in insurance plays in providing incentives to minimize risks. By removing an incentive for private parties to avoid or at least mitigate the damage from a future terrorist attack, the government inadvertently increases the damage that will be inflicted by future attacks.

Instead of forcing taxpayers to subsidize the costs of terrorism insurance, Congress should consider creating a tax credit or deduction for premiums paid for terrorism insurance, as well as a deduction for claims and other costs borne by the insurance industry connected with offering terrorism insurance. A tax credit approach reduces government’s control over the insurance market, because a tax credit approach encourages people to devote more of their own resources to terrorism insurance, the moral hazard problems associated with federally funded insurance is avoided.

The version of H.R. 3210 passed by the Financial Services committee took a good first step in this direction by repealing the tax penalties which prevent insurance companies from properly reserving funds for human-created catastrophes. I am disappointed that this sensible provision was removed from the final bill. Instead, H.R. 3210 instructs the Treasury Department to study the benefits of allowing insurers to establish tax-free reserves to cover losses from terrorist events. The perceived need to study the wisdom of cutting taxes while expanding the Federal Government without hesitation demonstrates much that is wrong with Washington.

In conclusion, Mr. Speaker, H.R. 3210 may reduce the risk to insurance companies from future losses, but it increases the costs incurred by American taxpayers. More significantly, by ignoring the moral hazard problem the bill may have the unintended consequence of increasing the risk of future terrorist attacks. Therefore, passage of this bill is not in the long-term interests of the American people.
Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3210, the Terrorism Risk Protection Act.

This legislation addresses a critical need of the insurance industry, that has so far been overlooked by Congress in the wake of the events of Sept. 11. It is a common practice for companies that serve as primary insurers in the property and casualty field to take out secondary policies with other companies in order to cover themselves against the possibility of having to make large payouts on future claims.

In the wake of Sept. 11, virtually all of the secondary insurers have announced that they will no longer cover acts of terrorism when the policies they have sold come up for renewal, effective Jan. 1, 2002. The insurance industry estimates that approximately 70 percent of the secondary policies will expire at the end of the current year.

Unless Congress takes immediate action, primary insurers will not be able to offer coverage against terrorism in their property and casualty accounts. Under these circumstances any future terrorist attack would have a devastating impact on both the national economy and the local economy where the attack occurs.

This legislation enlists the Federal Government to serve as a stabilizing force in the insurance industry as well as a safety net to cushion the economic effects of future acts of terrorism. Under this bill, insurers would help create a pool from which funds could be drawn to help meet future payout contingencies.

In the case where an event causes payouts to exceed $100 million, the Federal Government would step in and assume 90 percent of the burden with the remaining 10 percent coming from the industry. A similar program would be put in place for large companies for an event that exceeds $20 billion in payout costs.

Mr. Speaker, it is imperative that Congress address this immediate need to head off what would be a catastrophic blow to the insurance industry. American businesses need to be reassured that the insurance industry is both financially sound and able to meet their coverage obligations in the new terror-prone world, since Sept. 11.

Our country was in the midst of a recession when those barbaric acts of Sept. 11 took place. We have all witnessed the resulting shock waves that were sent through the economy. Recent evidence suggests that we may finally be on the road to economic recovery. The resulting damage from a future act of terrorism against an uninsured business sector is too awful to contemplate.

Fortunately, this scenario is easily preventable and we in Congress must take the necessary steps to ensure that this future does not come to pass. Our swift passage of H.R. 3210 will serve that purpose.

I therefore strongly urge my colleagues to lend support to this vital measure.

Mr. BÉREUTEY. Mr. Speaker, this Member rises today to express his support for H.R. 3210, the Terrorism Risk Protection Act. This legislation will help ensure that businesses are able to acquire property and casualty insurance while still providing full taxpayer protection against terrorist losses.

This Member would like to thank the distinguished Chairman of the House Financial Services Committee from Ohio (Mr. Oxley) for both introducing this legislation and for his efforts in moving this legislation. Additional appreciation is expressed to the distinguished gentleman from Louisiana (Mr. Baker) who played a crucial role in drafting this legislation.

Mr. Speaker, it is clear that the need for this legislation there was bipartisan cooperation and assistance led by the ranking minority member of the Committee, the distinguished gentleman from New York (Mr. LaFalce).

The uncertainties caused by the terrorist events on Sept. 11 have resulted in our attention to the possibility of severe future problems for the insurance industry and the insured, even a crisis, from additional severe terrorist attacks. To illustrate this, reinsurance companies provide insurance against massive losses for insurance companies. Many commercial reinsurance policies need to be renewed by Dec. 31 deadline of this year. Since this terrorist attack, many primary insurance companies, because they cannot receive reinsurance, have sent notice canceling or non-renewing.

As a member of the House Financial Services Committee, which has jurisdiction over the important elements of the limited Federal role in commercial insurance, this Member supports this legislation for the following two reasons. First, this bill ensures that the commercial insurance continues to be available for businesses—and available at affordable costs. Second, it provides necessary taxpayer protections against possible severe terrorist losses to businesses.

Under this legislation, Federal assistance will be provided to those commercial insurers which have suffered a significant terrorist loss over a specific dollar threshold. The Secretary of the Treasury will determine if there has been an industry-wide loss to the commercial property and casualty insurance industry exceeding $1 billion due to a terrorist act. In addition, the Secretary of the Treasury can also make a company-specific triggering determination if industry-wide losses exceed $100 million and the portion of those losses for the insurer exceed 10 percent of the company’s capital surplus and net premiums.

If one of these thresholds is reached, the Federal Government will provide to each relevant insurance company 90 percent of the amount of terrorism losses minus $5 million. This Federal cost-sharing is capped at $100 billion.

Unlike the different Senate approaches which are being proposed, the House legislation requires the Federal assistance to be paid back in full by insurance companies who suffered the terrorist loss. Under H.R. 3210, the relevant insurance companies will be required to pay assessments to the Federal Government for up to $20 billion of Federal assistance over a three year time period.

Aiding unemployed workers can no longer take a back seat. Indeed, the House is still waiting for the Speaker of the House to fulfill the promise he made at the time of the Airline Bailout Bill to bring in the floor legislation providing relief to these individuals.

Since the insurance companies are required to pay back the Federal Government for the exact level of Federal assistance through both assessments on the industry and/or commercial policyholder surcharges, this legislation ensures that taxpayers are not liable for the Federal cost-sharing. Therefore, this legislation characterizes an insurance bailout; it protects the American taxpayer against a big hit while continuing to maintain insurability against terrorist attacks.

This legislation also protects taxpayers from punitive damages against insurance companies from terrorist losses. Since the Federal Government is providing assistance to insurance companies in cases of significant terrorist losses, punitive damages against insurance companies could result in taxpayer liability. This legislation does not limit a plaintiff’s right to hold a primary tortfeasor liable for a terrorist act. For my Nebraska constituents, it is important to note that punitive damages are not allowed under Nebraska state law in Nebraska state courts.

In conclusion, since this legislation balances the need of businesses to continue to receive commercial insurance against terrorist acts at affordable costs, with taxpayer liability protection, this Member urges his colleagues to support H.R. 3210.

Ms. HARMAN. Mr. Speaker, I rise in reluctant opposition to the Terrorism Risk Protection Act.

I do not disagree that the business of commercial insurance underwriting faces difficult times ahead as we confront the threat of terrorism against our homeland. But we have our priorities backward.

Insurance underwriters are not the only ones facing difficult times. Since Sept. 11, hundreds of thousands of workers have lost their jobs because of the attacks and subsequent accelerated economic slowdown. Indeed, I have met on several occasions with hundreds of workers in California’s 36th District whose livelihoods and futures were suspended when they were laid off following the attacks.

Many of these workers were directly employed in the aviation industry which took a tremendous hit on Sept. 11. Many thousands more were employed at Los Angeles International Airport and in the associated hospitality industry, which relies on business travelers and tourists. Hundreds more were affected as the consequences of Sept. 11 rippled through the local economy.

Mr. Speaker, these individuals and their families are my top priorities. Last month I introduced legislation to give first preference to qualified laid-off aviation workers for the new airport security positions created by the Aviation Security Act. Regrettably, that bill languishes in the Transportation and Infrastructure Committee, though 44 of my colleagues recently joined me in writing Transportation Secretary Norm Mineta requesting that he incorporate this initiative in the regulations he issues to implement the new Airline Security Act.

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Until Congress and the Administration act to aid these unemployed workers, I cannot in
Ms. SCHAKOWSKY. Mr. Speaker, I rise today in strong opposition to H.R. 3210, the Terrorism Risk Protection Act, and in support of the LaFalce substitute.

First, we acted to provide a $15 billion air-line bailout that did nothing to help laid-off airline workers, improve safety or even guarantee that funds would be reinvested in improving American airlines. Airline workers are still waiting for unemployment insurance compensation and health care benefits. The need to help airlines and their employees after the tragedies of September 11 was legitimate, but the legislation we passed was a special interest giveaway that failed to meet that need.

Second, we passed a so-called economic stimulus bill that did little to stimulate the economy but instead includes tax breaks for the wealthy and for giant corporations, including refunds for taxes paid back to 1986 and incentives to invest overseas. And, again, the needs of laid-off workers and their families are ignored. We need to enact economic recovery measures that create jobs, not just give a large package of long-awaited tax breaks that will bring little, if any, benefit to the vast majority of American families and small businesses. Today, we are being asked to pass the legislation that not only provides an unwarranted bailout to the insurance industry but actually takes away consumer protections by making it extremely difficult for those injured to seek full compensation.

Again, there is a legitimate concern. Although no one denies that the insurance industry has sufficient revenues to meet its current obligations, there is a need to address the decision of reinsurance companies to stop providing terrorism risk coverage in the future. This problem would seem to demand a narrow, well-considered approach. But this vehicle has served as a magnet for companies that are trying to avoid responsibility by limiting their payout liabilities and by preventing injured consumers from getting their fair day in court.

As the Washington Post reported today, "The insurance industry's lobbying campaign for federal help covering future terrorism claims was in full swing last month when a group representing Lloyd's of London investors published a newsletter highlighting the 'historic opportunity' for insurers to make money after the September 11 attacks." This is not the history that we want to write here today.

In the event of future terrorist attacks, H.R. 3210 requires that U.S. taxpayers pay for 90 percent of all claims, including first dollar losses. It is simply outrageous that, as unemployed workers and their families are awaiting federal assistance, our first priority should be to bail out an insurance industry that is sitting on major reserves. The LaFalce substitute, unlike the underlying bill, would require that the industry pay a deductible of at least $5 to $10 billion annually. The LaFalce substitute also protects U.S. taxpayers, it ensures that insurance companies will still have incentives to press their policyholders to act to improve safety and security. That is why groups like Consumer Federation of America, the National Taxpayers Union, and Consumers Union oppose H.R. 3210 and support the LaFalce substitute.

Even more disturbing to me than the size of the potential bailout in H.R. 3210 is the absence of any justification for taking away the rights of injured consumers or their families to seek redress through our civil justice system. There is no justification for immunizing companies from dangerous behavior. Yet, H.R. 3210 would do just that.

H.R. 3210 would prevent future juries from awarding punitive damages. These damages are extremely rare and used only where injuries are caused by recklessly dangerous and irresponsible conduct. Under H.R. 3210, a security firm that hires felons, a building owner who refuses to put in fire escapes, a construction firm that doesn't meet building codes, or a company that fails to provide escape procedures for persons with disabilities would be immunized from punitive damages.

H.R. 3210 also limits a lawyer's or a judge's discretion to award non-economic damages. If we agree to this provision, we are saying that the loss of a child or husband and the inability to walk or have children are injuries that are not worthy of full compensation.

Finally, H.R. 3210 provides a one-sided and unfair limitation in limiting attorney's fees. Defendants would, of course, be free to pay their attorneys whatever they wish. But plaintiffs, who usually rely on a contingency fee system because they have no funds to pay up front lawyers' fees, are hampered. As a result, victims may find it difficult to find qualified attorneys to take what may be complicated and costly cases to prepare.

Unlike H.R. 3210, the LaFalce substitute leaves our civil justice system intact. It does not assault the rights of victims. And it leaves in place the potential for damages that will encourage firms to be as careful as possible in improving security and contingency plans.

We pray that we will not suffer from future terrorist attacks. But, as we mourn the victims of September 11, we must not take away the rights and remedies of those families. Nor should we reduce the incentives on the insurance industry to take responsibility for their actions or backstop that will make it possible for American companies to gain the insurance they need to continue operating in the post-September 11 environment where threats of terrorism still exist.

The Terrorism Risk Protection Act is a very pro-taxpayer, pro-consumer proposal, which provides significant benefits to both commercial and noncommercial policyholders, while requiring relatively little regulation.

By passing the Terrorism Risk Protection Act, today we greatly increase the capacity of insurers to offer terrorism coverage; we protect and large insurance companies, while retaining incentives for risk management and efficient claims processing.

However, I do have reservations on expanding the scope of the punitive damages ban beyond simply the use of government funds by attaching tort reform language to this legislation. Instead of limiting punitive damages we should ensure that the wrongdoer bear the financial burden, not an insurance company or the taxpayer. I am concerned that the inclusion of punitive damage language would limit victims' rights by protecting companies that fail to implement appropriate safety measures or do not act responsibly in the face of credible threats. My preference would have been to pass a bill without attaching the tort reform measure.

We have worked hard over the past few days to improve the bill to avoid the possibility of any economic disruption that could result from a lack of available, affordable terrorism insurance. Today, I am proud to say that we have worked to help provide commercial insurance for terrorism and strengthen our economy by passing the Terrorism Risk Protection Act.

Mr. MENENDEZ. Mr. Speaker, we could have and should have a much stronger bill on the floor, both to protect our economy, and to protect the victims of terrorist attacks.

Given the extraordinary circumstances, it is reasonable to provide a Federal "backstop" to the insurance industry for terrorist attacks. Developers, builders, and the people they employ need to know that insurance is available—otherwise, important projects may come to a halt. American commerce will be hurt, and jobs will be lost.

The Republican bill provides a guarantee to the insurance industry, it does not in turn require that the industry provides the insurance when it is needed; the Democratic substitute does.

We also need to make sure that in the event of an attack, victims can go after any negligent parties. But the Republican bill severely limits victims' rights—even in cases where the negligence was willful. That is not, in my view, a defensible position.

Finally, while we are undertaking this important effort, we should also be doing much more for the many American workers who have already lost their jobs.

I support guaranteeing insurance against terrorism is readily available.

I support full victims' rights.

And it is in the name of my belief in those principles that I must oppose final passage, with the hope and trust that these deficiencies can be fixed in conference.

Mr. MALONEY of Connecticut. Mr. Speaker, I want to urge my colleagues to support final passage of this important legislation. I want to thank House Majority Whip LA FALCE and Congressmen KANJORSKI for all their hard work in bringing an economically vital issue to the top of Congress' agenda.
Finding a solution to the impending insurance crisis is vital to our long-term economic security. Unfortunately, the events of September 11 have made a substantial impact on the marketplace and we now face contracting insurance and reinsurance markets. This tightening could have a devastating effect on the economy and will be unwilling to take on the additional risk of not having insurance. Providing a Federal backstop is critical to guaranteeing that insurance remains available.

Unfortunately, the bill before us today contains some very troubling provisions that would weaken our legal system of mutual responsibility. I want to make it clear that I will continue working to remove these overly broad and extreme provisions from this legislation. However, as insurance is the linchpin of our Nation’s economic stability, we must act on this important issue. Our economy depends on it.

I look forward to working with my colleagues through conference as this bill moves forward. I am committed to developing a final legislative product that will provide our economy with the stability that insurance guarantees, without weakening our legal system of mutual responsibility.

Mr. BLUMENAUER. Mr. Speaker, I rise in opposition to this bill. I commend the Financial Services Committee on their hard work to reach a compromise on this important issue. To maintain stability within the insurance industry and the economy as a whole, it is essential that the Federal Government provide a backstop for losses due to potential acts of terrorism. It is too bad the Republican leadership and their Rules Committee are undercutting this work.

I will not vote for a bill in which the democratic process has once again been subverted in favor of a partisan maneuver. It risks needlessly delaying important relief that we could provide promptly. The President has declared a matter of hours. In fact, this is a continuation of a pattern that’s moving beyond partisanship to a point where it is reckless. These bills have been twisted beyond recognition of any solution reached by the original bill. First it was the Airline Bailout, then the PATRIOT Act which passed out of the Judiciary Committee unanimously only to be substituted with a Republican alternative. The pattern continued with the Economic Stimulus package and the Airline Security bill. It is unconscionable that the Republican leadership continues to act in such a partisan manner to delay this legislation when it is critical that Congress act quickly and in a united fashion to stabilize our insurance industry and assure help to those in dire need.

H.R. 3210, as amended in the Rules Committee attempts to force adoption of extraordinarily controversial changes in legal procedures that have nothing to do with preserving a market for terrorism insurance coverage. The end result is that the rights of victims and their families to recover fair compensation would be greatly limited in any future terrorist related incidents.

For instance, the bill seeks to ban punitive damages, which would shield all defendants, not just insurers, even those who had been criminally negligent. As an example, this bill would protect a building owner from paying punitive damages who, despite numerous citations and warnings, refused to install emergency lighting and escape routes in his building. Residents and families of residents injured in the disaster as a result of the owner’s disregard for State or local safety codes should be allowed to pursue their claims to the full extent of the law. The bill also limits the ability of victims to receive awards for noneconomic damages. These provisions are issues that should be considered in the terrorism insurance bill. Because the Republican leadership will not allow a vote on a clean bill, I have no choice but to vote no. I will not support the continued actions of the Republican leadership to undercut the committee process that is essential to effective solutions.

Mr. BAKER. Mr. Speaker, as chairman of the House Subcommittee on Capital Markets, Insurance, and Government-Sponsored Enterprises, I rise in strong support of the bipartisan Terrorism Risk Protection Act. I also wish to commend the Ranking Member, Mr. Oxley for his leadership on this issue and to recognize the efforts of committee and subcommittee Ranking Members LAFALCE and KANORJIS.

While economic uncertainty can lead to stock market volatility and wide fluctuations in value—a phenomenon we are now witnessing daily—uncertainty in the operation of a business can be downright halting or fatal. This is why insurance plays such a vital role in our economy, providing security in calamity and the peace of mind legislatively necessary for the smooth functioning of the wheels of commerce.

Fortunately, property-and-casualty insurers were able to cover obligations for the estimated $40 billion in damages related to September 11. But that may not be the case should any subsequent and comparably costly events take place. Worse still, the availability and affordability of terrorism insurance itself will become increasingly less likely. The primary cause for the terrorism coverage crunch is the reluctance of insurers to underwrite this risk. The Republican leadership must limit government exposure to actual losses and provide timely and efficient adjudication of claims. Acts of terrorism give rise to very unique sets of facts and a complexity of interested parties that is uncommon in tort law. It is essential that the administration of the program established by this legislation is performed in a consistent and timely manner. Additionally, the exposure of the Federal Government as an insurer for anything other than actual losses should be avoided.

To these ends this bill creates an exclusive Federal cause of action and limits the venues in which claims can be brought. We do not want to see a situation like the 1993 World Trade Center bombing where cases are just now going to trial.

H.R. 3210 also prohibits claims for punitive damages arising out of terrorist acts and does not allow joint and several liability for non-economic damages caused by terrorist acts.

The sovereign immunity provisions of this bill will help ensure the fair and prompt distribution of the enormous public and private demand for the best efforts of this body as a whole. I believe that the Armey bill introduced today reflects this bipartisan achievement.

Unfortunately, the other Chamber of Congress has not even begun serious consideration of this issue. Already, with each passing day of congressional inactivity in providing assistance for the affordability and availability of terrorism insurance, we run the risk of being held accountable, and deservedly so, for fiddling while Rome burned.

We must maintain provisions of repayment of taxpayer dollars. Unlike other proposals,
H.R. 3210 protects taxpayers, requiring insurers, when they’re again able to stand on their own two feet, to pay back over time whatever taxpayer dollars they received during their short-term time of need. Without this I personally don’t see how any proposal could be called anything but a bailout—an open checkbook, drawn out of taxpayer pockets.

Paying back government assistance is neither a liberal nor a conservative concept. Or more precisely, it’s both liberal and conservautive, because it values common sense and, above all, makes their pool of concerns equal for both consumers and taxpayers—two groups rarely, if ever, afforded the opportunity to skip out on their bills. Not surprisingly, both the Consumer Federation of America and the Citizens Against Government Waste, two prominent grass-roots and advocacy groups, have come out in support of the “loan-based” over the “giveaway” approach to the insurance industry.

Changes in the Tax Code are our only mechanism to provide an exit strategy for taxpayers. Under other proposals, bill points toward how—not just when—the Federal Government can end its market intervention. It includes a study of tax-free reserving of insurance funds for terrorism risk to assist the private market that, at the end of the day, will be more efficient, stronger, and more independent than it was when we began.

The reason we’re in this bind to begin with, remember, is that reinsurance companies, mostly located offshore in Europe, will no longer make the pool of resources available for backing terrorism insurers. In the long run, the strongest answer to the reinsurance vacuum, and the surest way to avoid having the government serving that function indefinitely, is to take away the barriers that keep American insurers from filling it themselves. We can accomplish this quite easily by simply deferring taxation on reserves that insurance companies rarely, if ever, would have a reason to accumulate.

And, if we have a plan that provides market stability without simply giving away the taxpayers’ money—one that temporarily backs insurers without indefinitely bailing them out—but what else do we need?

Mr. KNOLENBERG. Mr. Speaker, I would like to commend Chairman OXLEY and Subcommittee Chairman Richard BAKER for their hard work on this legislation.

As a former insurance agent and counselor, I understand the challenges the insurance industry faces after the tragic events of September 11. I believe this bill moves us in the right direction to reach a solution before the end of the year when most of the current policies expire.

Let’s be clear—we are not bailing out the insurance industry. But we must be equally clear that, without action, companies and individuals will face skyrocketing premiums or have to buy policies that do not cover terrorist events. No action risks further harm to our economy.

This bill provides a federal risk-sharing loan program to ensure the liquidity to the industry.

The federal government will pay 90 percent of insurance claims once triggered by a terrorist event costing over $100 million. However, it also provides flexibility to help smaller companies who take a significant loss but do not reach that trigger amount. These loans will be repaid over time by the industry, providing assurance to the Federal Reserve’s loan program and sunset after 1 year so that Congress can revisit any unforeseen consequences of this bill and make further changes.

I think this bill is a good starting point, and we must get started. I urge my colleagues to pass this legislation and settle our differences with the Senate in Conference quickly so we can get something to the President before the end of the year.

Mr. ENGEL. Mr. Speaker, I rise today in support of the effort to provide the insurance industry a helping hand in the aftermath of the September 11th attacks. The insurance industry estimates that it will have approximately $60 billion in claims as a direct result of these events. And though the industry has the available capital to cover these claims now, paying long-term on a group basis is in doubt. In fact, many insurance companies are considering dropping this product altogether. The damage to our Nation’s economy if that were to happen would be grievous. Construction companies and building owners would not be able to get bonds, or if they could, they would prevent them from being able to get access to bonds to build and renovate their structures.

Yet, what does the Majority bring to the floor today? Is it a bill that helps the insurance industry advance their partisan agenda? Yes. The Republican majority is using this as a vehicle to advance one of its long held goals—tort reform. But, instead of having a full and just debate on tort reform, they are slipping provisions into a necessary and important bill.

And what do they do with these provisions? They once again tell the American people that the majority party believes people with lots of money are more important than the average American. This bill prevents non-economic damages from being awarded. If someone loses a house in a terrorist attack, all one can expect is remuneration for lost wages. But what about the other losses—such as companionship, emotional support, and parenting? Sorry, the majority says, you are out of luck there.

The insurance industry came to Congress with a sensible idea. It asked us to adopt a system similar to that of Britain by creating a terrorism reinsurance pool under which insurers voluntarily buy reinsurance coverage from the government, with pooled premiums being used to indemnify the industry in turn. The LaFalce Democratic substitute, which I support, provides a mechanism for addressing the insurance risk in connection with terrorist acts, but it has ended up as yet another vehicle to enact one-sided, tort reform agenda, which has failed every time it has been subjected to the regular, deliberative legislative process. Under this bill, all victims of a future terrorist act will be required to bring their action in federal court. Once the Secretary of the Treasury makes a determination that a “terrorist act” occurred, then all claims with any relation to that terrorist act must be brought in federal court.

Finally, my colleagues, I would like to take this opportunity to mention one thing that has come to my attention regarding the clean up and removal presently have no indemnity for their work. In fact, they are being forced to accept a below market contract. Their workers are being exposed to an extremely hazardous working environment. If we are to provide liability protections to the airline industry and the building owners, I urge my colleagues to move immediately to provide indemnity protections to the construction companies. If we don’t, these companies are in danger of financial ruin and future incidents of terrorism will have a very different response from such companies.

Mr. Speaker, let’s get serious about solving these problems. Vote no on this bill and support real reinsurance reform.

Mrs. CHRISTENSEN. Mr. Speaker, I rise in support of the beleaguered workers of this country who have been doubly affected by both the recession that the experts now say that we have been in since last spring and the ripple effects of September 11. According to the Department of Labor, 415,000 Americans lost their jobs in the month of October. Eight hundred people in my very small district of the U.S. Virgin Islands have lost their jobs in our tourism dependent district—an increase of over 150 percent over last year. Travel agents, airline workers, taxi drivers, chefs and hotel service employees will now face the holidays without jobs, without hope and other benefits that they in fact, many insurance companies are consid-
in a contract dispute ‘related to terrorism’ if the airline disruption after September 11 is alleged to be a factor? And if a questionable ‘related to terrorism’ defense is offered, must the case be remanded to federal court?

Worse, this bill contains radical liability limitations that are not limited to cases involving insurance coverage and includes other provisions that bear little relationship to the issue of insurance. For example, future victims of terrorism would be precluded from collecting punitive damages—even in cases where it can be shown that the most outrageous acts of negligence or intentional misconduct contributed to the act of terrorism. This bill would also severely limit the ability of the victims of terrorism to collect non-economic damages. Non-economic damages include physical impairment, disfigurement and mental anguish, and these will be denied, whether insurance is available or not.

Further, this bill puts extreme and unprecedented limits on plaintiff’s attorney’s fees. In the bill which purports to assist insurance companies, it is important to note that insurance companies will continue to pay plaintiff’s fees; those fees are paid by the plaintiff out of the recovery. Therefore, the amount the insurance company pays is not affected by the size of the attorney’s fee. The only effect this provision might have on the insurance company is that plaintiff’s attorneys would hire an attorney to bring a meritorious claim. Only meritorious claims will be effected, because most attorneys get nothing, if there is no recovery. It is also important to note that the bill does not limit defense attorney’s fees—which the insurance companies do pay plaintiff’s fees. These restrictions are fees. These restrictions are not reasonable and fair. First, the liability provisions in this bill, I believe that the Bentsen amendment is fair and reasonable. For example, an airline passenger who allows a terrorist to knowingly pass through a security check. I also want to highlight that my amendment on tort reform was approved on a bipartisan basis and represented the consensus of our committee on this issue. I am disappointed that the House Rules Committee acted to eviscerate my language. I also want to express my support for the underlying loan structure in the underlying bill. In fact, as an original cosponsor of H.R. 3210, I cosponsored this bill in part because of the loan structure included in it. I also strongly supported efforts to keep this program as a temporary program. During consideration of this bill, I offered an amendment that requires that this program can only be renewed on a yearly basis. In addition, my amendment requires the Administration to provide a report to Congress detailing why this program has been renewed. I believe that these accountability provisions are necessary to ensure that this program is established for a short time period. I believe that the reinsurance market for terrorism coverage will recover and we should act prudently.

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in opposition to H.R. 3210, the Terrorism Risk Protection Act. I am very concerned about tort provisions that were added to the House Rules Committee. As an original cosponsor of H.R. 3210, I was disappointed that the House Rules Committee acted to rewrite this bill.

I strongly believe that we must act to ensure that terrorism insurance is available for our nation’s property owners. Without such coverage, we endanger our nation’s economy. With the current recession which we are experiencing, I do not believe that we should jeopardize our economy. Today, many property owners are receiving property insurance renewals that financially exclude terrorism coverage. For many property owners, failure to purchase terrorism insurance may jeopardize their credit and result in devastating actions by their creditors.

I am disappointed that the underlying bill includes tort reform provisions which are fatally flawed. As a sponsor of an amendment to the liability provisions in this bill, I am concerned that the new liability provisions will hurt victims of terrorism and are not necessary for this bill. The underlying bill was introduced at the last minute with many onerous provisions which are not necessary for this bill. First, the liability section will preclude spouses of victims from seeking non-economic damages when a spouse is lost to a terrorism attack. I do not believe that the House of Representatives should be limiting spouses of victims to collect only lost wages and no other reparations. This is an unprecedented effort to cause economic hardships for victims of terrorism.

I am disappointed that the House of Representatives passed the underwriting bill which has been rewritten since it was reported from the House Financial Services Committee. As a senior member of the House Financial Services Committee, I offered a critically important amendment to the liability section which said that a response to a terrorist attack that would have protected the taxpayers by ensuring that the government nor the insurance policy could be held liable for punitive damages or non-economic damages related to this coverage. I believe it is proper to provide this protection for the taxpayers. In order to protect consumers, my amendment ensures that consumers can seek both punitive and non-economic damages from parties who have committed gross negligent acts related to terrorist attacks. I believe that the Bentsen amendment is fair and reasonable. For example, an airline passenger who allows a terrorist to knowingly pass through a security check. I also want to highlight that my amendment on tort reform was approved on a bipartisan basis and represented the consensus of our committee on this issue. I am disappointed that the House Rules Committee acted to eviscerate my language. I also want to express my support for the underlying loan structure in the underlying bill. In fact, as an original cosponsor of H.R. 3210, I cosponsored this bill in part because of the loan structure included in it. I also strongly supported efforts to keep this program as a temporary program. During consideration of this bill, I offered an amendment that requires that this program can only be renewed on a yearly basis. In addition, my amendment requires the Administration to provide a report to Congress detailing why this program has been renewed. I believe that these accountability provisions are necessary to ensure that this program is established for a short time period. I believe that the reinsurance market for terrorism coverage will recover and we should act prudently.

Mr. Speaker, as I have stated, the bill before us is fatally flawed. It insures that the insurance industry is protected while leaving too many Americans with little or no assurance of either affordable, quality insurance coverage or corporate investment in their communities. I urge my colleagues to reject this flawed bill and pass a measure that insures protection for the American public not just the insurance industry.

CALIFORNIA REINVESTMENT COMMITTEE—INSURANCE INVESTMENT ISSUES

In 1999, Californians paid $81 billion in insurance premiums. Of those premiums, $36...
The SPEAKER pro tempore (Mr. NETHERCUTT). All time for general debate on the bill has expired.

AMENDMENT IN THE NATURE OF A SUBSTITUTE

Mr. LAFALCE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. LAFALCE:

Strike all after the enacting clause and insert the following:

SEC. 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “Terrorism Risk Protection Act”.

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

   1. Short title and table of contents.
   2. Congressional findings.
   3. Authority of Secretary of the Treasury.
   4. Submission of premium information to Secretary.
   5. Initial and subsequent triggering determinations.
   6. Federal cost-sharing for commercial insurers.
   7. Assessments.
   8. Terrorism loss repayment surcharge.
   9. Administration of assessments and surcharges.
   10. Application to self-insurance arrangements and offshore insurers and reinsurers.
   11. Requirement to provide terrorism coverage.
   12. State preemption.
   13. Consistent State guidelines for coverage for acts of terrorism.
   14. Consultation with State insurance regulators and NAIC.
   15. Study of potential effects of terrorism on life insurance industry.
   16. Railroad and trucking insurance study.
   17. Study of reinsurance pool system for future acts of terrorism.
   18. Definitions.
   19. Covered period and extension of program.
   20. Regulations.

SEC. 2. CONGRESSIONAL FINDINGS.

The Congress finds that—

(a) on September 11, 2001, attacks on the World Trade Center and the Pentagon by terrorists, the destruction and damage to buildings, and interruption of business operations;

(b) the attacks have inflicted possibly the largest losses ever incurred by insurers and reinsurers in a single day;

(c) while the insurance and reinsurance industry has committed to pay the losses arising from September 11 attacks, the resulting disruption has created widespread market uncertainties with regard to the risk of losses arising from possible future terrorist attacks;

(d) such uncertainty threatens the continued availability of United States commercial property and casualty insurance for terrorism-related risks; and

(e) the inability of the private insurance and reinsurance markets to create new insurance policies has resulted in widespread disruption of the commercial property and casualty insurance market.

Therefore, the Congress intends to establish a temporary insurance program to cover losses arising from possible future terrorist attacks and to preserve the commercial property and casualty insurance market.

SEC. 3. AUTHORITY OF SECRETARY OF THE TREASURY.

The Secretary shall be responsible to carry out this Act.

The Secretary shall have the authority to make such regulations as are necessary to carry out the provisions of this Act.

SEC. 4. SUBMISSION OF PREMIUM INFORMATION TO SECRETARY.

The Secretary shall require each covered insurer and reinsurer to submit, for each policy period, the following information:

(a) the total written premium for insurance against acts of terrorism during the policy period;

(b) the amount of the policy that is designated for terrorism insurance;

(c) the amount of the policy that is designated for terrorism insurance under federal law; and

(d) the name and address of the insurer and reinsurer.

SEC. 5. INITIAL AND SUBSEQUENT TRIGGERING DETERMINATIONS.

(a) IN GENERAL.—For purposes of this Act, a “triggering determination” is a determination by the Secretary that—

(1) an act of terrorism has occurred during the covered period; and

(2) the industry-wide losses resulting from such occurrence, and multiple occurrences of acts of terrorism all occurring during the covered period, exceed $100,000,000.

(b) DETERMINATIONS REGARDING OCCURRENCE OF ACTS OF TERRORISM.—For purposes of this section, the determination of whether an occurrence was caused by an act of terrorism shall be made by the Secretary, with the assistance of the Attorney General of the United States and the Secretary of State, shall have the sole authority which may not be delegated or designated to any other officer, employee, or position, for determining whether an occurrence was caused by an act of terrorism; and

(c) an act of terrorism occurred during the covered period.

SEC. 6. FEDERAL COST-SHARING FOR COMMERCIAL INSURERS.

(a) IN GENERAL.—Pursuant to a triggering determination, the Secretary shall provide financial assistance to commercial insurers in accordance with this Act.

(b) ELIGIBLE INSURERS.—For purposes of this section, the term “eligible insurer” means an insurer that is a member of the NAIC and is licensed to conduct an insurance business in at least two states.

(c) AMOUNT OF FINANCIAL ASSISTANCE.—Subject to subsection (e), with respect to a triggering determination, financial assistance shall be provided to an eligible insurer in an amount equal to 90 percent of the amount of the eligible losses of the insurer as a result of the triggering event involved.

(d) LIMITATION.—The aggregate amount of financial assistance provided pursuant to this section may not exceed $1,000,000,000.

(e) NOTICE TO CONGRESS.—The Secretary shall notify the Congress of the amount of financial assistance provided pursuant to this section.

SEC. 7. LIABILITIES AND CHARGES.

(a) LIABILITIES.—The aggregate amount of financial assistance provided pursuant to this Act shall be repaid in accordance with subsection (g).

(b) CHARGES.—The Secretary exercises the authority under section 19(b) to extend the covered period, in the case of a triggering determination occurring during the portion of the covered period consisting of such extension, the difference between—

(1) $10,000,000,000; and

(2) the aggregate amount of industry-wide losses resulting from the triggering events involved in any triggering determinations preceding such triggering determination.

(c) ELIGIBLE INSURERS.—For purposes of this section, the term “eligible insurer” means an insurer that is a member of the NAIC and is licensed to conduct an insurance business in at least two states.

(d) ELIGIBLE LOSSES.—For purposes of this section, the term “eligible losses” means, with respect to a triggering determination, any insured losses resulting from the triggering event involved that are in excess of the industry obligation amount for such triggering determination.

(e) LIMITATIONS.—

(1) AGGREGATE LIMITATION.—The aggregate amount of financial assistance provided pursuant to this section may not exceed $1,000,000,000.

(2) NOTICE TO CONGRESS.—The Secretary shall notify the Congress of the amount of financial assistance provided pursuant to this section reaches $1,000,000,000, and the Congress shall determine the procedures for, and the source of, any additional payments of financial assistance to cover such additional insured losses.

(3) DEFAULT ON ASSESSMENTS AND SURCHARGES.—The Secretary may establish such limitations as may be necessary to ensure that payments under this section in connection with a triggering determination are made only to commercial insurers that are not in default of an obligation under this section or section 7 to pay assessments or under section 8 to collect surcharges.

(4) ANNUAL LIMIT ON INDIVIDUAL INSURER LIABILITY.

(a) DEFINITIONS.—For purposes of this sub-section, the following definitions shall apply:

(1) ANNUAL INSURER LIMIT.—The term “annual insurer limit” means the aggregate amount of the individual insurer’s losses to a commercial insurer and a program year, the amount equal to 7 percent of the aggregate...
premium amount of all commercial property and casualty insurance coverage, written by such insurer during the calendar year preceding such program year, under all lines of commercial property and casualty insurance.

(B) Limitable losses.—The term “limitable losses” means, for any program year, the aggregate amount of all commercial losses incurred during such program year that do not exceed the dollar amount specified in subsection (b)(1)(A) or (b)(2)(A), as applicable to the program year.

(C) Program year.—The term “program year” means the period beginning on the date of the enactment of this Act and ending on January 1, 2003. The Secretary shall extend the covered period pursuant to section 20(b), as applicable to the program year for purposes of this subsection.

(2) Triggering of industry assessments.—If, for any program year, the amount of the limitable losses for such program year that are incurred by any single commercial insurer exceed the annual insurer limit for the commercial insurer for such program year, the Secretary shall apportion the amount of such excess limitable losses pursuant to assessments under paragraph (3).

(3) Industry assessments to cover losses exceeding loss limit.—For each program year, the Secretary shall, as soon as practicable, determine the aggregate amount of excess limitable losses described in paragraph (2), as applicable to such commercial insurer. Subject to paragraph (4), the Secretary shall assess, to each commercial insurer not described in paragraph (2), a portion of such aggregate amount based on the proportion, written by each such commercial insurer, of the aggregate written premium for the calendar year preceding such program year.

(4) Operation of annual insurer limit to assessments.—The sum of the amount of limitable losses incurred by a commercial insurer in a program year and the aggregate amount of an assessment under this subsection to such insurer may not in any case exceed the annual insurer limit for the insurer.

(5) Notice.—Upon determining the amount of the assessments under this subsection, the Secretary shall promptly distribute such notices to all commercial insurers as practicable, provide written notice to each commercial insurer that is subject to an assessment of the amount of the assessment and the date thereof pursuant to paragraph (6) for submission of the assessment.

(6) Payment.—Each commercial insurer that is subject to an assessment under this subsection shall pay to the Secretary the amount of the assessment not later than 60 days after the Secretary provides notice of the assessment under paragraph (5).

(7) Distribution of assessment amounts.—Upon receiving payment of assessments under this subsection, the Secretary shall promptly distribute such amounts to the applicable insurer, as described in paragraph (2), based on limitable losses incurred in excess of the annual insurer limit for such insurers. The Secretary may consider including in such distribution any such adjustments and reimbursements, as may be necessary to carry out the purposes of this subsection.

(g) Payment.—Financial assistance made available under this section shall be repaid through assessments under section 7 collected by the Secretary and surcharges remitted under section 9(d) upon such insurer.

(h) Final Netting.—The Secretary shall have sole discretion to determine the time at which claims relating to any insured loss or act of terrorism shall become final.

(1) Finality of determinations.—Any determination of the Secretary under this section with respect to any claim shall and shall not be subject to judicial review.

(2) Emergency designation.—Congress designates the amount of such emergency authority and outlays in all fiscal years resulting from this section as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(e)). Such amount shall be available only to the extent that a request, that includes designation of such amount as an emergency requirement as defined in such Act, is transmitted by the President to Congress.

SEC. 7. ASSESSMENTS.

(a) In General.—In the case of a triggering determination, each commercial insurer shall be subject to assessments under this section for the purpose of repaying a portion of the financial assistance made available under section 6 in connection with such determination.

(b) Aggregate assessment.—Pursuant to a triggering determination, the Secretary shall determine the aggregate amount (if any) to be assessed under this section among all commercial insurers, which shall be equal to the lesser of—

(1) the difference between—

(A) $20,000,000,000; and

(B) the dollars specified in paragraph (1)(A) or (2)(A) of section 6(b), as applicable for such triggering determination; and

(2) the amount of financial assistance paid under section 6 in connection with the triggering determination.

(c) Method and Timing.—An assessment under this section in connection with a triggering determination shall be assessed against or on the amount of the assessment made available under section 6 in connection with such determination.

(d) Allocation.—The aggregate amount of any assessment under this section that is allocated to any commercial insurer shall be based on the ratio that the amount of the limitable losses for such program year, the Secretary shall apportion the amount of such excess limitable losses pursuant to assessments under paragraph (3).

(2) Timing of Assessments.—Any assessment under this section shall be based on the ratio that the

(3) Failure to Make Timely Payment.—If any commercial insurer fails to pay an assessment under this section before the deadline for the purposes of such assessment, the Secretary may take either or both of the following actions:

(A) Civil monetary penalty.—Assess a civil monetary penalty pursuant to section 9(d) upon such insurer.

(B) Interest.—Require such insurer to pay interest at such rate as the Secretary considers appropriate, on the amount of the assessment that was not paid before the deadline established under paragraph (2).

(1) Adjustment of Assessments.—The Secretary may provide for or require estimations of amounts under this section and provide for assessment surcharges or require additional payments to correct such estimations, as appropriate.

(2) Deferral of Contributions.—The Secretary may defer the payment of all or any assessment under this section to be paid by a commercial insurer, but only to the extent that the Secretary determines that such deferral is necessary to avoid the likely insolvency of the commercial insurer.

(3) Timing of Assessments.—The Secretary shall make adjustments regarding the timing of the assessment and remittances of assessments (including the calculation of net premiums and aggregate written premium) as appropriate for commercial insurers that provide commercial property and casualty insurance on a non-calendar year basis.

SEC. 8. TERRORISM LOSS REPAYMENT SURCHARGE.

(a) Determination of imposition and collection.—

(1) In General.—If, pursuant to a triggering determination, the Secretary determines that the aggregate amount of financial assistance provided pursuant to section 6 exceeds the amount determined pursuant to section 7(b)(1), the Secretary shall consider weighing the factors under paragraph (2) to determine the extent to which a surcharge under this section should be established.

(b) Factors.—The factors under this paragraph are—

(A) the ultimate costs to taxpayers if a surcharge under this section is not established;

(B) the economic conditions in the commercial marketplace;

(C) the affordability of commercial insurance for small- and medium-sized business; and

(D) such other factors as the Secretary considers appropriate.

(c) Policyholderpremium.—Any amount established by the Secretary as a surcharge under this section shall be established and imposed as a policyholder premium surcharge on commercial property and casualty insurance written after such determination, for the purpose of repaying financial assistance made available under section 6 in connection with such triggering determination.

(d) Collection.—The Secretary shall provide for commercial insurers to collect surcharge amounts established under this section and remit such amounts collected to the Secretary.

(3) Percentage limitation.—The surcharge under this subsection applicable to commercial property and casualty insurance written after such determination may not exceed 3 percent of the premium charged for such coverage.
SEC. 9. ADMINISTRATION OF ASSESSMENTS AND SURCHARGES.

(a) MANNER AND METHOD.—

(1) IN GENERAL.—Except to the extent specified in sections 7 and surcharges under section 8, including the timing and procedures of making assessments and surcharges, notifying commercial insurers of assessments and surcharge requirements, collecting payments from and surcharges through commercial insurers, and refunding of any excess amounts paid or credit to such amounts against future assessments.

(b) EFFECT OF ASSESSMENTS AND SURCHARGES ON URBAN AND SMALLER COMMERCIAL AND RURAL PROPERTIES AND OTHER INSURANCE.

— In determining the method and manner of imposing assessments under section 7 and surcharges under section 8, including the amount of such assessments and surcharges, the Secretary shall take into consideration—

(A) the economic impact of any such assessments and surcharges on commercial centers of urban areas, including the effect on commercial rents and commercial insurance premiums, particularly rents and premiums on commercial buildings and the availability of lease space and commercial insurance within urban areas;

(B) the risk factors related to rural areas and smaller commercial centers, including the potential exposure to loss and the likely magnitude of such loss, as well as any resulting cross-subsidization that might result; and

(C) the various exposures to terrorism risk for different lines of commercial property and casualty insurance.

(2) COVERAGE ARRANGEMENTS AND ASSESSMENTS.—The Secretary may adjust the timing of coverages and assessments provided under this Act to provide for equivalent application of the provisions of the Act to commercial insurers and policies that are not based on a calendar year.

(3) ADJUSTMENT.—The Secretary may adjust the assessments charged under section 7 or the percentage imposed under the surcharge under section 8 at any time, as the Secretary determines appropriate to protect the national interests, which may include avoiding unreasonable economic disruption or excessive market instability and avoiding undue burdens on small businesses.

(d) CIVIL MONETARY PENALTY.—

(1) IN GENERAL.—The Secretary may assess a civil monetary penalty in an amount not exceeding the amount under paragraph (2) against any commercial insurer that makes an insurance policy or the insurance coverage applicable to losses arising from acts of terrorism unless the insurer provides for the insurer to recover such losses.

(2) AMOUNT.—The amount under this paragraph is the greater of $1,000,000 and, in the case of insurers, such insurer, if the insurer remits amounts in accordance with this Act or the regulations issued under this Act, such amount in dispute.

SEC. 10. APPLICATION TO SELF-INSURANCE ARRANGEMENTS AND OFFSHORE INSURERS AND REINSURERS.

(a) SELF-INSURANCE ARRANGEMENTS.—The Secretary may, in consultation with the NAIC, apply the provisions of this Act, as appropriate, to self-insurance arrangements by municipalities and other entities, but only if such application is determined before the occurrence of a triggering event and all of the provisions of this Act are applied uniformly to such entities.

(b) OFFSHORE INSURERS AND REINSURERS.—

The Secretary shall ensure that the provisions of this Act are applied as appropriate to any offshore or non-admitted entities that provide commercial property and casualty insurance.

SEC. 11. REQUIREMENT TO PROVIDE TERRORISM COVERAGE.

The Secretary shall require each commercial insurer to include, in each policy for commercial property and casualty insurance coverage made available, sold, or otherwise provided by such insurer, coverage for insured losses resulting from the occurrence of an act of terrorism that—

(1) does not differ materially from the terms, amount, and other coverage limitations applicable to losses arising from events other than acts of terrorism;

(2) may not be eliminated, waived, or excluded by the policyholder with the consent of the policyholder, request, and consent of the insurer; and

(3) meets any other criteria that the Secretary may reasonably prescribe.

SEC. 12. STATE PREEMPTION.

(a) COVERED PERILS.—A commercial insurer shall be considered to have complied with the requirements of this section if the insurer provides for the insurer to recover such losses.

(b) RATE LAWS.—If any provision of any State law that is inconsistent with this section is preempted under section 7, such provision is preempted only to the extent necessary to provide for such insurer to recover such losses.

(c) FILE AND USE.—

(1) IN GENERAL.—With respect only to commercial property and casualty insurance covering acts of terrorism, any provision of State law that requires or regulates the provision of insurance coverage for acts of terrorism or the insurer providing coverage in accordance with the definitions of terrorism under this Act or under any regulations issued by the Secretary, the rate laws of any State, the insurer, the NAIC, or any action by a State regulator preempted under any regulations issued by the Secretary erroneous information regarding preemption.

(2) AMOUNT.—The amount under this paragraph is the greater of $1,000,000 and, in the case of any such insurer, the amount in dispute.

(3) CONSIDERATION OF ADOPTION OF NATIONAL GUIDELINES.—Upon the expiration of the 6-month period beginning on the date of the enactment of this Act, the Secretary shall make a determination of whether the guidelines referred to in paragraph (1) have, by such time, been adopted and adopted by nearly all States in a uniform manner. If the Secretary determines that such guidelines have not been so developed and adopted, the Secretary shall consult with the NAIC, and may adopt such guidelines on a national basis in a manner that supercedes any State law regarding maintenance of reserves against such risks.

(4) GUIDELINES REGARDING DISCLOSURE OF PRICING AND TERMS OF COVERAGE.—

(a) SENSE OF CONGRESS REGARDING DISCLOSURE OF PRICING AND TERMS OF COVERAGE.—It is the sense of the Congress that—

(A) the NAIC, in consultation with the Secretary, should develop appropriate definitions for acts of terrorism that are consistent with this Act and appropriate standards for making determinations regarding occurrences of acts of terrorism; and

(B) each State should adopt the definitions and standards developed by the NAIC for purposes of regulating insurance coverage made available in that State; and

(2) in consultation with the NAIC, the Secretary should advocate and promote the development of definitions and standards that are appropriate for purposes of this Act; and

(4) after consultation with the NAIC, the Secretary should adopt further definitions for acts of terrorism and actuarial determinations that are appropriate for this Act.

(b) INSURANCE RESERVE GUIDELINES.—

(1) SENSE OF CONGRESS REGARDING ADOPTION BY STATES.—It is the sense of the Congress that—

(A) the NAIC should develop appropriate guidelines for commercial insurers and pools regarding maintenance of reserves against the risks of acts of terrorism; and

(B) each State should adopt such guidelines for purposes of regulating commercial insurers doing business in that State.

(2) CONSIDERATION OF ADOPTION OF NATIONAL GUIDELINES.—Upon the expiration of the 6-month period beginning on the date of the enactment of this Act, the Secretary shall make a determination of whether the guidelines referred to in paragraph (1) have, by such time, been adopted and adopted by nearly all States in a uniform manner. If the Secretary determines that such guidelines have not been so developed and adopted, the Secretary shall consult with the NAIC, and may adopt such guidelines on a national basis in a manner that supercedes any State law regarding maintenance of reserves against such risks.

SEC. 14. CONSULTATION WITH STATE INSURANCE REGULATORS AND NAIC.

(a) IN GENERAL.—The Secretary shall consult with the State insurance regulators and the NAIC in carrying out the requirements of, or regulations issued under, this Act;

(b) FINANCIAL ASSISTANCE, ASSESSMENTS, AND SURCHARGES.—The Secretary may take
such actions, including entering into such agreements and providing such technical and organizational assistance to insurers and State insurance regulators, as may be necessary (A) to maintain or increase opportunities for life insurance in the United States and to ensure the availability of life insurance and annuities; (B) to maintain or increase opportunities for reinsurance; (C) to assist in the distribution of financial assistance under section 6 and the collection of assessments under section 8 and under subsection (b) investigating and auditing claims.—The Secretary may, in consultation with the State insurance regulators and the NAIC, investigate and audit claims made by commercial insurers and otherwise require verification of amounts of premiums or losses, as appropriate.

SEC. 15. STUDY OF POTENTIAL EFFECTS OF TERRORISM ON LIFE INSURANCE INDUSTRY.

(a) Establishment.—Not later than 90 days after the date of enactment of this Act, the President shall establish a commission (in this section referred to as the “Commission”) to study and report on the potential effects of an act or acts of terrorism on the life insurance industry in the United States and the markets served by such industry.

(b) Membership and operations.—

(1) Appointment.—The Commission shall consist of 7 members, as follows:

(A) A representative of the Treasury or the designee of the Secretary.

(B) The Chairperson of the Board of Governors of the Federal Reserve System or the designee of such Chairperson.

(C) The Assistant Secretary for Homeland Security.

(D) 4 members appointed by the President, who shall be

(i) a representative of direct underwriters of life insurance within the United States; (ii) a representative of reinsurers of life insurance within the United States; (iii) an officer of the NAIC; and

(iv) a representative of insurance agents for life underwriters.

(2) Operations.—The chairperson of the Commission shall determine the manner in which the Commission shall operate, including providing advice and coordination with other governmental entities.

(c) Study.—The Commission shall conduct a study of the life insurance industry in the United States, which shall identify and make recommendations regarding—

(1) possible actions to encourage, facilitate, and sustain the provision, by the life insurance industry in the United States, of coverage for losses due to death or disability resulting from an act or acts of terrorism, including in the face of threats of such acts; and

(2) possible actions or mechanisms to sustain or supplement the ability of the life insurance industry in the United States to cover losses due to death or disability resulting from an act or acts of terrorism in the event that—

(A) such acts significantly affect mortality experience of the population of the United States over any period of time;

(B) such losses jeopardize the capital and surplus of the life insurance industry in the United States as a whole; or

(C) other consequences from such acts occur, as determined by the Commission, that may significantly affect the ability of the life insurance industry in the United States to independently cover such losses.

(d) Recommendations.—The Commission may make a recommendation pursuant to subsection (c) only upon the concurrence of a majority of the members of the Commission.

(e) Termination.—The Commission shall terminate 60 days after submission of the report pursuant to subsection (e).

(f) RAILROAD AND TRUCKING INSURANCE.

The Secretary of the Treasury shall conduct a study to determine how the Federal Government can address a possible crisis in the availability of railroad and trucking insurance by making such insurance for acts of terrorism available on commercially reasonable terms. Not later than 120 days after the date of enactment of this Act the Secretary shall submit to the Congress a report regarding the results and conclusions of the study.

SEC. 16. REINSURANCE POOL SYSTEM FOR FUTURE ACTS OF TERRORISM.

(a) Study.—The Secretary, the Board of Governors of the Federal Reserve System, and the Comptroller General of the United States shall jointly conduct a study on the advisability and effectiveness of establishing a reinsurance pool system relating to future acts of terrorism to replace the program provided for under this Act.

(b) Consultation.—In conducting the study under subsection (a), the Secretary, the Board of Governors of the Federal Reserve System, and the Comptroller General shall consult with—

(1) 3 academic experts, (2) the United Nations Secretariat for Trade and Development, (3) organizations from the property and casualty insurance industry, (4) representatives from the reinsurance industry, (5) the NAIC, and (6) such other organizations as the Secretary considers appropriate.

(c) Report.—Not later than 6 months after the date of the enactment of this Act, the Secretary, the Board of Governors of the Federal Reserve System, and the Comptroller General shall jointly submit a report to the Congress on the results of the study under subsection (a).

SEC. 17. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) Act of terrorism.—

(A) In General.—The term “act of terrorism” means any act that the Secretary determines meets the requirements under subparagraph (B), as such requirements are further defined and specified by the Secretary in consultation with the NAIC.

(B) Requirements.—An act meets the requirements of this subparagraph if the act—

(i) is unlawful;

(ii) causes harm to a person, property, or entity, in the United States, or in the case of a domestic or foreign act, a United States flag vessel (or a vessel based principally in the United States on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), in or outside the United States;

(iii) is committed by a person or group of persons who are recognized, either before or after such act, by the Department of State or the Secretary as an international terrorist group or have conspired with such a group or the group’s agents or surrogates;

(iv) has as its purpose to overthrow or destabilize the government of any country, or to influence the policy or affect the conduct of the government of the United States or any segment of the economy of the United States, by coercion; and

(v) is not a result of an act of war, except that this clause shall not apply with respect to any coverage for workers compensation.

(2) Affiliate.—The term “affiliate” means, with respect to any insurer, any company that controls, is controlled by, or is under common control with the insurer.

(3) Aggregate written premium.—The term “aggregate written premium” means, with respect to a year, the aggregate premium amount of all commercial property and casualty insurance contracts issued or renewed during such year under all lines of commercial property and casualty insurance.

(4) Commercial insurer.—The term “commercial insurer” means a corporation, association, society, order, firm, company, mutual, partnership, individual, aggregation of individuals, or any other legal entity that provides commercial property and casualty insurance. Such term includes any affiliates of a commercial insurer.

(5) Commercial property and casualty insurance.—

(A) In General.—The term “commercial property and casualty insurance” means insurance for losses, as appropriate.

(i) loss of or damage to property;

(ii) loss of income or extra expense incurred because of loss of or damage to property;

(iii) third party liability claims caused by negligence or impropriety by stated contract, including workers compensation;

(iv) loss resulting from debt or default of another;

(B) Exclusions.—Such term does not include—

(i) insurance for homeowners, tenants, private passenger nonfleet automobiles, mobile homes, or other insurance for personal, family, or household needs;

(ii) insurance for professional liability, including medical malpractice, errors and omissions, or directors’ and officers’ liability; or

(iii) health or life insurance.

(6) Control.—A company has control over another company if—

(A) the company directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the other company;

(B) the company controls in any manner the election of a majority of the directors or trustees of the other company; or

(C) the Secretary determines, after notice and opportunity for hearing, that the company directly or indirectly or controlling influence over the management or policies of the other company.

(7) Covered period.—The term “covered period” means the period given such term in section 19.

(8) Industry-wide losses.—The term “industry-wide losses” means aggregate insured losses sustained by all insurers from coverage written under all lines of commercial property and casualty insurance.

(9) Insured loss.—The term “insured loss” means any loss, net of reinsurance and retrocessionary reinsurance, covered by commercial property and casualty insurance.

(10) NAIC.—The term “NAIC” means the National Association of Insurance Commissioners.

(11) Net premium.—The term “net premium” means, with respect to a commercial insurer and a year, the aggregate premium amount collected by such commercial insurer for all commercial property and casualty insurance written or ceded by the company, such amount accruing in such year under all lines of commercial property and casualty insurance by such commercial insurer, less any premium paid by such commercial insurer to other commercial insurers to insure or reinsure those risks.

(12) Secretary.—The term “Secretary” means the Secretary of the Treasury.

(13) State.—The term “State” means the States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.
Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States.

(14) STATE INSURANCE REGULATOR.—The term “State insurance regulator” means, with respect to a State, the principal insurance regulator of such State.

(15) TRIGGERING DETERMINATION.—The term “triggering determination” has the meaning given such term in section 5(a).

(16) TRIGGERING EVENT.—The term “triggering event” means, with respect to a triggering determination, the occurrence of an act of terrorism, or the occurrence of such acts, that causes the insured losses resulting in such triggering determination.

(17) UNITED STATES.—The term “United States” means, collectively, the States (as such term is defined in this section).

SEC. 19. COVERED PERIOD AND EXTENSION OF PROGRAM.

(a) COVERED PERIOD.—Except to the extent provided otherwise under subsection (b), for purposes of this Act, the term “covered period” means the period beginning on the date of the enactment of this Act and ending on January 1, 2003.

(b) EXTENSION OF PROGRAM.—If the Secretary determines that extending the covered period is necessary to ensure the adequate availability in the United States of commercial property and casualty insurance coverage for acts of terrorism, the Secretary may, by regulation, extend the covered period by not more than two years.

(c) REPORT.—The Secretary may exercise the authority under subsection (b) to extend the covered period only if the Secretary submits a report to the Congress providing notice of and setting forth the reasons for such extension.

SEC. 20. REGULATIONS.

The Secretary shall issue any regulations necessary to carry out this Act.

The SPEAKER pro tempore. Pursuant to House Resolution 287, the gentleman from New York (Mr. LaFalce) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. LaFalce).

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

Mr. Speaker, I propose to offer a substitute that I believe would greatly improve the bill before us. The substitute in large part reflects the structure of the bill before us, but it makes improvements to the bill in three very crucial areas.

First of all, it requires the individual insurers to retain a more significant share of initial losses, providing for a real, up-front deductible.

Second, it requires that terrorism coverage be included with all property and casualty insurance, eliminating the ability of insurers to cherry-pick safer properties, while placing coverage out of the reach of others.

Third, it eliminates the extraneous limitations on victims’ recovery rights that are not necessary to address this problem and have no place in this bill or any bill. There will be no bill that contains these provisions.

Let me address each of these in turn.

The substitute in my sub-

stitution would require the insurance industry to pay the first $5 billion of insured losses in the first year, increasing to $10 billion in the second and third years. Interestingly, the insurance industry, the Senate, and administration negotiators said they could accept a bill with a $10 billion deductible in the first year. My substitute has a $5 billion deductible. The bill before us has a $50 billion deductible. There should be a deductible.

The deductible would be met in the first instance by individual insurers who would be responsible for 100 percent of the losses suffered by their policyholders up to a cap of 7 percent of the insurer’s premium income. This first dollar of loss retention is critical to the maintenance of sound underwriting practices by the insurance industry, and it will make it much easier for a private reinsurance market to re-emerge. It will also make it less likely that the Federal Government will need to step in to cover losses. Some events could be covered entirely by the deductible. It would keep the Federal Government out of the market, and it is absolutely imperative that the Federal Government enter.

This kind of deductible has the support of a broad and diverse coalition of taxpayer, consumer, and environment groups, each of which believe it is important that insurers should pay some level of initial loss in its entirety. And the concept of a deductible of up to $10 billion in the first year was agreed to by the Treasury Department in the Bush administration in their conversations with the Senate. Again, the main bill before us has no deductible. The substitute does. We should have a deductible.

Second, to avoid the cherry-picking, my substitute, unlike the Republican bill, would mandate terrorism coverage. This will prevent insurers from providing terrorism coverage only on properties that are perceived as low risk while leaving large portions of the economy unprotected. This provision would help to ensure that terrorism coverage is affordable by spreading the risk across the broadest possible base. By ensuring that this coverage would be included in all property and casualty policies, as it is today, it would help to cushion the effects on businesses of any further terrorist attacks by eliminating the temptation for commercial property holders and businesses to “opt out” of terrorism coverage.

Do not forget, property and casualty policies today include terrorism coverage.

Finally, my bill does not limit victims’ rights by denying them the legal redress that they deserve. For reasons completely extraneous to the current insurance crisis, the White House and the Republican leadership are pursuing, by means of this legislation, long-sought restrictions going back 20–30 years on the rights of victims. They seek to minimize the compensation they have to pay to those who suffered as a result of terrorism whole. These restrictions on victims’ rights will create disincentives for businesses to do all that they reasonably can to prevent another terrorist attack and make America safer.

I urge Members’ support for this substitute. It is basically the House bill, with those changes I have articulated. In the short amount of time that we have left to address the serious threat to our economy, our security, and our ability to retain a more significant role in the world, I believe the substitute represents a much-improved response to meeting our responsibilities.

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

Mr. BACHUS. Mr. Speaker, I claim time in opposition to the amendment in the nature of a substitute.

My first concern is that we are mandating that anyone who takes out commercial insurance must also take out coverage for terrorism. Now, in the towns and the cities and rural areas of this country, we have a lot of small businessmen who do not think that they need insurance to ensure against terrorism.

Actually, I have farmers in my district. They have chicken houses. I would say to the gentleman from New York. Those farmers do not feel like those chicken houses and those chicken houses need insurance against terrorism. They do not believe that there is much of a possibility of a terrorist planting a bomb in one of those chicken houses. I have a lot of repair shops in my district that repair used automobiles. The people that own those businesses and that pay liability insurance and take out coverage on those businesses, they do not believe that they need to be paying for insurance to cover that auto body shop or that beauty shop. I have a lot of beauticians, I would say to the gentleman from New York. I have a lot of beauticians in my district. They have a lot of beauty shops. They really do not believe that they ought to be compelled by the Federal Government to take out insurance to insure against terrorists. In fact, they may not be able to afford it.

But what this substitute does, it requires anyone that takes out a commercial policy on any business, whether it is a beauty shop, a barber shop, an auto mechanic store, a chicken house, a small grocery store, it requires you to take out and insure against a terrorist act. I have a lot of businesses in my district that quite simply are having trouble paying for the insurance that they have. There is no opt-out. I can say to the gentleman, there is a lot of fire against fire, I can insure against vandalism; but I may not want to insure against terrorism. I may own a small
business. I may get a quote of $12,000 a year for basic coverage and another $1,000 or $1,500 a year to insure against terrorism. I may say, I don’t want terrorism covered. I would say to the gentleman from New York, I understand that his amendment, and correct me if I am wrong, but it is my understanding that his amendment requires anyone who takes out a commercial policy to protect their place of business, that they must also insure against terrorism. I would say that right there and I would reserve the balance of my time and ask the gentleman so we can have a coherent discussion of this, is in fact he mandating that every American that takes out insurance coverage on their place of business, that they must insure against terrorism no matter what the cost of that premium?

Mr. Speaker, I reserve the balance of my time and let the gentleman address that question.

Mr. LAFALCE. Mr. Speaker, I could have a colloquy with the gentleman on his time, but I do not have time. If the gentleman wants to do it on his time, I would be glad to have a colloquy.

Mr. BACHUS. I would say that to the gentleman. I will answer the question and he can correct me if I am wrong. Section 11 of his amendment, a requirement to provide terrorism coverage, and it says that this coverage may not be eliminated, waived or excluded by mutual agreement, request or consent of the policyholder or otherwise. That is what it says. It says you cannot exclude coverage for that. It may not be eliminated, may not be waived, may not be excluded from a commercial policy even by mutual agreement or by request or consent of the policyholder. That is what it says. It is the plain wording.

I would hope the gentleman did not intend to say that to every American who has insurance policy on a piece of property. There is an option. The option is that you just do not get insurance. But I think the gentleman from New York is saying if you do get insurance, you will have to have terrorist coverage and you will have to pay for that coverage.

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

Mr. LAFALCE. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, quite the contrary to the distinguished gentleman from Alabama, the LaFalce substitute spreads the risk. What it simply does is it says that if you are a small business, a chicken farmer, you need to make sure that insurance companies around the world or in this Nation have the obligation to reinsure the risk and not just leave other segments of economy uncovered.

That is what we are arguing about today. That is why I rise today to support the LaFalce substitute and also to say I would have liked to have supported a clean underlying bill. I believe it is important to provide this kind of reinsurance for our insurance companies, not for the institutions but for the people of America.

I would hope that my colleagues, I wish I was debating resources for those who are unemployed, particularly as we face some 500,000 individuals in the State of Texas. Additionally in my own congressional district we have a company that has left the brink. I may see tomorrow 3, 4, 6,000 people laid off. This House has failed in its duty to provide unemployment insurance for those who are laid off. But let us speak about the underlying bill and why the LaFalce substitute is the right direction to go.

First of all, the bill that is before us denies victims’ rights. It in fact denies noneconomic damages, economic damages, punitive damages. It indicates that if you are a plaintiff and you are impacted by a terrorist act, you could not go into court and receive any benefits or receive any coverage from your insurance company if you were not physically harmed. For example, if you lost your household, your insurance company may not go into court and receive any benefits or receive any coverage from your insurance company if you were not physically harmed. For example, if you lost your household, your insurance company may not go into court and receive any benefits or receive any coverage from your insurance company if you were not physically harmed.

The underlying bill provides assistance. Federal dollars, one dollar past a billion dollars. In fact, the insurance companies said, we’re willing to pay $5 billion in losses. The LaFalce bill has $5 billion in losses. We think $10 billion after the 1 year. We are giving away money in the underlying bill.

The substitute is a clean bill that directs its attention and its energies to the problem. We want to be able to ensure that insurance companies will be able to insure Americans, businesses, citizens of the United States in light of terrorist attacks. And we want to do it fairly, and we want to do it forthrightly. We do not want to deny individuals their access to the courts where they cannot go in and secure recovery for those who have maliciously not done their duty and therefore caused an enhanced injury to some people. For example, a baggage handling company that did not do the proper security so that something dangerous happened on the airline.

I support the LaFalce bill because it is a straight-up answer to the insurance problem, and it also provides for insurance for all Americans.

Mr. Speaker, the September 11 terrorist attacks have devastated many industries and sectors of the American economy, including the insurance industry.

The legislation before us today, H.R. 3210, has been rushed to the House floor because the insurance industry has stated that, while it will be able to cover the estimated $40 billion in claims resulting from the Sept. 11 terrorist attacks, any new and renewed policies will not cover terrorist-inflicted damage unless the government helps cover that unknown liability. This is a very great concern to Congress and to the Nation.

While I cannot support this bill as it currently stands, I would like to state, at the outset, that I join my colleagues in calling for swift passage of a terrorism reinsurance bill. Such legislation is greatly needed and I believe we can make a great difference here, as we have done in the past.

As we all know, Congress acted swiftly and deliberately in the recent Airlines bailout plan in the amount of $15 billion to save this important industry which was so severely devastated by the September 11 attacks. We can act with similar diligence and bi-partisan sensibility to help this important sector of our economy as well.

Mr. Speaker, I stand here today not as a proponent of just an insurance industry problem. Rather, it is a national issue because if the insurance industry cannot reinsure the risk of further terrorist attacks, it will either increase premiums to the detriment of consumers, or simply stop offering terrorism coverage altogether. Furthermore, without adequate insurance coverage, lenders will not be able to lend and new investments will not be made, creating a credit crunch that could have devastating consequences for our economy.

I applaud my colleagues on the Ways and Means Committee in striking provisions that would have provided preferential tax treatment on insurance industry reserves, and instead called for a greatly needed study of the issue. However, I am disappointed in the partisan finding of the Rules Committee that denied this once bipartisan effort to protect the insurance industry from terrorism claims into a partisan “tort reform” Trojan horse.

I join my colleagues on the Judiciary Committee and those on the Financial Services Committee who object to the inclusion of Section 15, a tort reform provision, which would effectively ban punitive damages in terrorism-related cases. This is absolutely unnecessary.

Additionally, it is unclear whether the bill applies to actions brought against the insured insurer, or simply stop offering terrorism coverage altogether. Furthermore, without adequate insurance coverage, lenders will not be able to lend and new investments will not be made, creating a credit crunch that could have devastating consequences for our economy.

We must also ensure that terrorism coverage is available and affordable for all consumers and businesses, and avoid “cherry picking” where companies insure “good risks” and leave other segments of economy uncovered. To this end we can and should avoid that problem by ensuring that terrorism coverage is required as part of basic property and casualty coverage.

Finally, there is no need or justification for the tax provisions in the bill, which unnecessarily provides the industry with a long-term tax subsidy which could well exceed what it pays under the bill.

Instead, I lend my support to the LaFalce substitute. It includes, for example, an industry deductible and requires each company to meet its deductible before receiving federal assistance. It also requires terrorism coverage as part of commercial property and casualty insurance. It also does not limit tort actions or recoveries, and does not contain the offensive tax provisions as does the underlying bill.
Also, it requires the Secretary of the Treasury, in determining whether to establish a surcharge on policymakers, to consider the cost to the taxpayer, economic conditions, affordability of insurance, and other factors. And it includes studies on the impact of terrorism on the life insurance industry and on the advisability of establishing a terrorism reinsurance pool.

Congress can and must act to protect the most vulnerable sectors of our economy, and those who most need assistance. The underlying bill once held the promise of protecting the millions of Americans dependent on it. However, the version of the bill before us today contains offensive provisions that I simply cannot in good conscience support. As such, I urge my colleagues to vote against the bill and to support the LaFalce substitute.

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

Mr. Speaker, I think we received the answer to our question, and that is that this amendment attempts to require all Americans who own businesses to take out terrorist insurance and to pay for that coverage. In other words, if you have a your business and you live in New York, your amendment if it passes, you will be required to take it out and to pay for it.

I think we have our answer there. As the gentleman from Alabama asks, do you need it, but you are telling them you do. Not only we want to spread the risk to people that may not have any risk, may not choose to need insurance. What we are basically telling them is, Not only we want to spread the risk to people that may not have any risk, may not choose to need insurance. What we are basically telling them is, Not only you do need it, but you will have to pay for it.

Mr. Speaker, I think we received the answer to our question, and that is that this amendment attempts to require all Americans who own businesses to take out terrorist insurance and to pay for that coverage. In other words, if you have a restaurant, you will be required to take it out and to pay for it.

So I think we have our answer there. As the gentleman from New York asks, do you need it, but you will have to pay for it, whether you want it or not.

Mr. Speaker, I ask unanimous consent that the gentleman from Ohio Mr. OXLEY be permitted to control the remainder of my time for consideration of this amendment.

The SPEAKER pro tempore (Mr. NATTILANCUCCI). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Speaker, there are several problems that I have with the substitute that is offered by my distinguished colleague from New York, but I want to focus on two of them in particular. One is the fact that the substitute clearly removes from the committee bill several vital tort reform measures which are in the base bill; and they are in the base bill for a simple reason, for a variety of reasons, but mainly to ensure that in the event that harm is done in a terrorist attack, we want to see a greater share of the payment to the victims actually go to the victims and not a huge windfall going to trial lawyers. That is a big part of what this is about, and I am concerned about, and I am concerned about the adverse effect that this provision will have on them. These are the people that are keeping our economy going. These small businesses are the ones that are creating the few new jobs we are creating in our economy. They are creating so many opportunities for so many people. The cards are stacked already against the entrepreneur starting a new business. It is the nature of a new business to have a very risky period.

We have still a crushing tax burden on Americans. We have too much regulation. My argument is let us not stack the deck further against the people who are creating new businesses, running small businesses, trying to have an opportunity. Let us not impose this new costly mandate on them.

Reject the substitute and support the underlying bill.

Mr. LAFAULCE. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN asked and was given permission to revise and extend his remarks.

Mr. BENTSEN. Mr. Speaker, I had not intended to support the substitute because we wrote a very good bill in the House. Again, I want to commend the chairman and the chairman of the subcommittee as well for the work they did. We worked very hard all day long to put out a good bill and I thought the approach was the right approach to take in terms of the model, in terms of the deductible, in terms of the way it worked. It combined the pooled premium structure, it protected the taxpayers, it combined the deductible aspect that the administration wanted, and it even had some liability reform, a collateral offset that I was not particularly comfortable with but I thought was the balance we needed because this was also a temporary measure that we were passing, and in fact made it as temporary as possible.

Because I am not very comfortable with us entering the marketplace right now, but I do think it is necessary to get us into the next year so policies can be rewritten, so we do not have the calamity that I discussed that I think other Members are aware of. I know the gentleman from California Mr. Cox was a securities lawyer before he was here, and he understands how this works and the problems that can occur if we do not do this.

But on the way to the floor, this bill was rewritten and I am left with no choice but to support a substitute that otherwise quite frankly, with all due respect to the gentleman from New York, I would not support because I would support the underlying bill as it was originally written.

I look at the litigation management section in this, and I see a couple of problems. The first is the question on noneconomic damages that are in here and there is no liability for the defendant if the defendant actually has liability. What if you have a spouse who does not work and is in a building that gets hit by a plane? There are no damages that can be brought. That spouse's worth under the court's eyes is zero dollars. I do not think any Member, whether you are for liability reform or not, thinks that is a particularly good idea.

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But the other problem in the haste to write this bill, if you read the section on noneconomic damages, it applies to all attorneys. So if defense counsel does their job and wins the case, they can get no more than 20 percent of damages, and if damages are zero, 20 percent of zero, the last time I checked, was still zero. So if the PNC contemplates paying the lawyer, which most counsel I know like to get paid, they are not going to be able to pay them anything, or they are going to be
subject to fines or imprisonment. So there is a flaw in the bill. I am sure somewhere down the line it will get worked out.

But the bigger concern I have is about this is the bill we ought to pass for the good of the economy, and what this does. We are in the process of doing the “legal reform,” which is not what this bill started out about, is it going to get shot down in the other body and we are either going to be here on December 23 trying to hammer this thing out, or December 24th, or December 25th, maybe we will take the 25th off, the 26th, 27th, trying to work this out, when we had a very good bill in the first place, a bill that made it explicitly clear that the taxpayers would not be on the hook for punitive damages or non-economic damages. But if the defendant, the building owner, the airline owner, was liable in any way for gross negligence, they had to step up to the plate for that liability. That is what we should be doing.

As a result, I am going to have to defy my chairman and support the substitute, because we are left with no other choice. I hope somewhere rational will prevail and we can get a real bill done.

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Staten Island, New York (Mr. FOSSELLA).

Mr. FOSSELLA asked and was given permission to revise and extend his remarks.

Mr. FOSSELLA. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I happen to believe that sometimes when we are confronted with an issue, it is best for Congress to do nothing at times. This is not one of those times. I think we are playing with fire if Congress does not act on passing this legislation this year as soon as possible.

The underlying bill as presented by the chairman is the right vehicle to proceed with. Every day that passes creates more uncertainty, thus more risk and more instability in our economy. It is not just the insurance companies or the reinsurers; it is the very foundation of our Nation.

For example, right now in midtown Manhattan, there is an office project, a major one, being contemplated. It means jobs, means livelihoods, it means a better quality of life for so many people.

These developers right now are having discussions with their insurance agents. Insurance agents say, we cannot give you this insurance because of the risk associated with a potential terrorist attack. If that does not occur, there may not be and very likely will not be this development project in midtown Manhattan. Hundreds of millions of dollars will stop. That is going to take place across New York and across the country, unless something is done. I would urge everybody in this Chamber and the other body to come to clo-

Mr. OXLEY. Mr. Speaker, I yield my self 30 seconds. I appreciate the gentleman’s remarks.

Mr. Speaker, I yield 3½ minutes to the gentleman from California (Mr. Cox), a valuable member of our committee.

Mr. COX. Mr. Speaker, I thank the chairman for yielding me time. I particularly wish to thank the gentleman form Ohio (Chairman OXLEY), the gentleman from Pennsylvania (Mr. KANJORSKI), the distinguished ranking member of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.

Mr. KANJORSKI. Mr. Speaker, I think speak in favor of the substitute, and it is for a very simple reason. There are three key elements developed in the Senate bill that are important, but, more so than being important, I think they make the bill viable so we can get something done.

The previous speaker just indicated that it is important to get something done, and it, something that could have been done, and suddenly some of our friends have lobbed on things called tort reform, or revision, as I call it, changing the whole civil procedure and rights of victims in this country, and I think it caused unfairness.

As my friend the gentleman from Texas (Mr. BENTSEN) pointed out, it seems to me to strip out any benefit or any recovery for non-economic damages and leaves a major part of the victims of this country without coverage.

Now, we are fighting here to make sure real estate can go on, insurance can be sold, business can conclude; and we are going to take care of large entities, big investments, because they are the targets for terrorism. But the small victims, the individual citizens who do not measure into the definition providing the limitations in this bill for victims’ recovery, they get nothing or are restricted in their recovery. That is nonsensical.

First of all, it is not going to go anywhere. I plead with the other side. This bill is not going to be the bill. The Senate and White House are in the process of writing another bill which is going to be another horse, and we are either going to take it or not take it in the waning days of this session.

We have an opportunity, by adopting the substitute that the gentleman from New York (Mr. LAFALCE) has presented, to handle the three key issues. We do provide something the White House and the Senate has indicated them want at all times, deductibility, and the insurance industry did not say that was bad. As a matter of fact, they were in favor of it. $5 billion or $10 billion deductibility.

Two, doing nothing with these victims’ rights or tort reform, it does not belong here. We can have another vehicle, another debate, another day, on that issue.

Finally, to provide insurance coverage for everyone, I am led to understand the White House is in favor of that too, because we do not want cherry-picking, we do not want favoritism, and we do not want to lessen the base of those people who are going to stand behind the premiums to pay for the terrorist occasion that occurs before it goes to the taxpayers.

I say that we have a reasonable substitute here that, if we pass it today, can be moved to the Senate very quickly and become the real vehicle for reinsurance protection for terrorism in the United States. Other than that, this is an academic, a political exercise, that will absolutely go nowhere, and we are going to end up, if we do want legislation, and I think it is vitally important, adopting the Senate provisions when they are finally passed.

Mr. OXLEY. Mr. Speaker, I yield myself 30 seconds. I appreciate the gentleman’s remarks.

Let everyone understand something. The Senate and the White House apparently have been at this for quite some time and, literally, as we speak, they still have not got their act together. The House of Representatives is on the floor with legislation ready to pass in the next hour, so we have done our job.

So you can talk all you want about what the Senate and White House are doing. We are getting the job done for the people of this country to make certain we have insurance coverage. I think we all should be very, very proud of that.

Mr. Speaker I yield 3½ minutes to the gentleman from California (Mr. Cox), a valuable member of our committee.

Mr. COX. Mr. Speaker, I thank the chairman for yielding me time. I particularly wish to thank the gentleman from Ohio (Chairman OXLEY), the gentleman from Louisiana (Chairman BAKER) and the gentleman from Wisconsin (Chairman SENSENBRENNER) for putting together such an important bill for us to move quickly in response to the events of September 11.

This legislation will ensure that victims are compensated after a terrorist loss if another terrorist attack or round of terrorist attacks should occur, quickly, fairly and fully. It will continue, we hope, the opportunity for people to have insurance coverage to wipe out insurance against terrorist risks by using the resources of the Federal Government, of the U.S. taxpayer, as a backstop. But the bill is carefully drafted so that it will not injure taxpayers in the process.

It asks a great deal from the industry. Indeed, it asks the insurance industry to pay the money back, so that taxpayers will not be treated as if they are Osama bin Laden, as if they are culpable for the next round of terrorist attacks.

The substitute, unfortunately, unravels these taxpayer protections. It
Mr. LAFAULCE. Mr. Speaker, I yield.

Mr. LAFAULCE. Mr. Speaker, I thank the gentleman, and I stand corrected on that issue.

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

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. SENSENBERGER), the distinguished chairman of the Committee on the Judiciary.

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Mr. Speaker, I reserve the balance of my time.
is exactly the way the Federal Tort Claims Act is. We are talking about giving a limited key to the United States Treasury, and we give the same protection to the taxpayer in this bill that we do when there is a tort claim against the Federal Government. We also limit fees, also dollars in the Federal Tort Claims Act. So this is existing law for claims against the Federal Government. Since the Federal Government will be the ultimate reinsurer during this period of time, we provide the same set of limitations and the plaintiffs the same limitations as we would if somebody got run over by a postal service van or ended up falling out the window of a Federal building because of a defect in construction there.

Now, it seems to me that when we are dealing with terrorism, we have to look at the fact that people who buy terrorism insurance pay a premium that is based upon the risk that the insurer undertakes and if they have unlimited liability when there is a terrorist act, then those premiums are going to be so sky high as to make that coverage either unaffordable or less affordable, particularly small businesses operators.

So, Mr. Speaker, these litigation management provisions protect the taxpayers, protect the ratepayers of people who have to buy terrorism coverage, and do not significantly limit the recovery that the plaintiffs could get.

Mr. LaFalce. Mr. Speaker, I yield myself 3 minutes.

A couple of issues were addressed by the distinguished chairman of the Committee on the Judiciary. First of all, he spoke about the consolidation of the claims into one court. That is something that is not unreasonable. As a matter of fact, it might be desirable to do something like that. But then the question is, would you obliterate portions of the law of the many States?

What the gentleman does in his bill is he says that there should be a Federal cause of action that shall be exclusive; and thereby he obliterates the laws of the States, with this exception: he says in applying the Federal cause of action, we shall look to the Federal cause of actions in the States, but not the law of the States with respect to damages. There, we shall just totally obliterate whatever the laws of those States are with respect to damages and import that is where we are in the many States?

Unfortunately, the Democratic substitute goes farther than I think we should on a number of points. I want to focus on the provision in the substitute that would mandate that property and casualty companies provide terrorism coverage. "Mandate:" That is the operative word.

It is our responsibility to ensure consumers have the options to choose from, not mandate that they are forced to choose with. Terrorism coverage will be more expensive to all businesses, but every business should be able to make the choice of whether they should pay for it and take the risk.

Let us consider the cost of this mandate for things like museums, like schools, like hospitals. A hospital in California, a hospital in New York, most hospitals in this Nation operate on a very thin operating edge. They are on the very edge of solvency. A sudden increase in premiums could plunge them into oceans of red, resulting in closure. Schools. A flower shop in Buffalo, New York, ought to have the ability to make that choice to take that risk if they choose, not be mandated. A museum in Katonah, New York, should have the ability to choose. Only these entities know what their risk is. Only these entities know what their need is. These entities ought to not be mandated to share a risk they do not feel they have.

Small business is the strongest bulwark pushing our economy and its growth. We all know the margins between profitability and failure are razor thin with these businesses. The cost of mandated coverage could mean the difference between more or less employment or helping these people keep their jobs. I urge that people defeat this Democratic substitute.

This is just one of the many reasons the Democratic substitute should be defeated. There are others.

Give our schools, hospitals and small businesses the choice and join me in voting against the Democratic substitute.

Mr. LaFalce. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from New York (Mrs. Kelly).

Mrs. Kelly. Mr. Speaker, I thank the gentleman from Ohio for yielding me this time.

The gentleman from New York has offered a well thought-out substitute. However, I believe we simply have different beliefs as to how the market should operate. I believe that we should allow the market to work out problems as much as possible.

We are here today because the reality of a war on terrorism has knocked out the commercial property and casualty insurance industry and put them in a crisis. To stabilize that industry, we have drafted TRPA.

Unfortunately, the Democratic substitute goes farther than I think we should on a number of points. I want to focus on the provision in the substitute that would mandate that property and casualty companies provide terrorism coverage. "Mandate:" That is the operative word.

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Mr. KANJORSKI. Mr. Speaker, I am almost hesitant rising. I know the gentlewoman that has just spoken is a fine member of our panel, and of course, she does not want to burden the homeowners and all of these small business people and everything.

When we really stand back and analyze the argument, the argument is, there is a free lunch here. Insurance companies do not create money or assets. They merely gather premiums, analyze what the proportionate risk will be, the premiums cover that risk, and then they put out the money. If we reduce the number of premium payers, we reduce the base and for the remaining payers we accelerate the rates. It is as simple as that. It is so simple that most people here in this United States are terrorism insurance as part of the main policy. We are not putting an extra burden on people here. I will tell my colleagues what burden we are putting on: if we do not have this premium base that spreads across the country for terrorism insurance, we are going to have a 1,000 percent increase in insurance in New York City and Los Angeles, the symbols of the country where terrorism would attack.

Mr. Kanjorski. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Pennsylvania.
not going to have any effect on premiums, and premiums in this country on liability insurance all over are going to go up and go up precipitously. And they already have, for two reasons: not only September 11, but because the stock market has gone down precipitously. When the earnings are generated and the income generated is no longer there, and now they have to increase the premiums to effect a pool to pay the risk liability.

Mr. Speaker, sometimes we treat the American people as if they were on the floor like they are idiots, and I refer now back to the gentleman from California who made the point that they are really worried about the victims of the 1993 bombing because, gee, their cases are still in litigation.

It is unfortunate that it takes sometimes 7 or 8 years to get to litigation in this country. There is a solution away with the right of suing and collecting damages. From day one, they would not have had a cause of action under this piece of legislation. So yes, we would not tie up the courts or waste 7 or 8 years. The victim would not have a cause of action.

I know that is not the intention the Members have. I know something more than that. I know the Republican party historically has understood the free market and the basis of our civil process in this country.

I cannot understand. Just after September 11, we are asking America, and I do not have yet a position, but we are asking to throw away the criminal code of the country, the protections of evidence, due process, and go to military tribunals in the criminal sense.

Maybe I could justify in some areas that happening. Well, that tears up 200 years of precedent and procedure in this country in the criminal law area. Now they come on the floor and civilly they want to rip up 200 years of precedent and history because we had this one attack, when in reality the insurance industry only came to the Congress and said, look, we do not know how to set the rates for liability insurance. They came to us and said, we do not know how to set the rates for liability insurance. They came to us and said, we do not know how to set the premium to create the pool that is necessary to cover potential disasters like this. We have no question that we can handle a $10 billion or a $20 billion. Without anybody, the premiums would be so high, whereas I think the underlying bill clearly avoids that sort of thing.

I just want to underscore, if people want to sue Osama bin Laden, there are no limits. People can go after Osama bin Laden and his assets and take him to the cleaners, and the attorneys could walk away with 50 or 60 percent of the settlement, if that is in the contingency fee agreement that they have reached.

This is interesting, what are the U.S. taxpayers going to pay? I think this is a very well thought-out bill. Vote no on the substitute and yes on the underlying bill.
Mr. Speaker, let me just make a few points. First of all, I very much want a bill. I think it is important. I have attempted to work in good faith with the members of the opposition, with the administration, to come up with a good bill. I look forward to working in good faith in the days ahead. I hope it will be the days ahead, rather than the weeks ahead, that we will be able to come to an accord.

Second, I think that there should be a deductible, and there is not one in the gentleman’s bill; there is in mine. I think the gentleman from Louisiana (Mr. BAKER) inadvertently made a mistake. We do have an assessment mechanism. No company would have to pay a deductible above 7 percent of net premiums, and we use basically the same mechanism that they use. That certainly is our intent.

With respect to the mandatory coverage, maybe I made a political mistake in offering that, but I think that substantively I am right. Why? Because I cannot get over the 8 years that I chaired the Committee on Small Business. I cannot get over the 4 to 6 years that I was chairman of a small business subcommittee, when I had countless hearings on the problems of small business with insurance.

Take product liability insurance. We had not an unavailability problem; we had an unaffordability problem. There were periods when product liability insurance was so unaffordable that it was tantamount to unavailable. Therefore, the only way we can ensure that terrorism insurance would not become so unaffordably, astronomically unaffordable for the small business men and women of America is to make sure that we continue in the future what we have experienced in the past, that is, that terrorism coverage has been part of all P&C policies. That is the way the world has worked historically; we simply want to continue that. So I think that substantively we ought to wind up there.

On the issue of victims’ compensation, the insurance company did offer this. There will be no bill if we go forward with the gentleman’s provisions. But there is a case for consolidation. There is a case to be made that the taxpayers should not pay for punitive damages. If we could come to an accord there, we can do what is necessary. We can remove that Damoclean sword that is hanging over the head of the economy.

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

The SPEAKER pro tempore. The gentleman from New York (Mr. LAFAULCE) offered has so much in common with the underlying bill. The post-event assessment and surcharge systems are largely the same. Both bills have a $100 million long-term trigger, and both the plan and the taxpayers is clearly inherent in both pieces of legislation.

I would, however, disagree with my friend from New York in regard to the statement he made on the deductible. The summary of the substitute provided to the Committee on Rules says that this 7 percent per company deductible is based on net premiums. That is simply not true. The substitute language actually bases the 7 percent deductible on aggregate premiums. This, of course, penalizes insurers for using reinsurance.

We do not need to be in the business of penalizing insurance companies to provide reinsurance. That is how the system works. As a matter of fact, if my colleagues can imagine a world on September 11 where domestic insurance companies did have not the ability to reinsure, imagine what kind of losses the casualty underwriters and the taxpayers would have brought to us today.

Indeed, this bill ultimately, when passed, will encourage the growth of reinsurance, and it may be early on that these companies, these domestic companies, will essentially have to reinsure themselves. They cannot go offshore, but I guarantee my colleagues that it will not be long before the reinsurers offshore, have to go into the largest market in the world. They cannot afford to stay on the sidelines.

It is one thing on September 12 to announce that they are not going to provide reinsurance for terrorism, but my guess is the American economy, the American people, the American insurance companies, will find a way to provide the kind of coverage for their consumers and their customers and their insurers. When that is the case, the reinsurance folks will be running back to try to get back in this game, and that is what this bill is all about.
This is a temporary bill. This is not forever. Even the legal reforms are not forever. They are part of this legislation. So let us defeat the substitute, let us vote for final passage, and let us go on forward to get legislation for the American people.

Mr. CONVEYERS. Mr. Speaker, I rise in strong support of the substitute and in opposition to the base bill. I do so because the legislation was hijacked by the Rules Committee, which turned a bipartisan insurance relief bill into yet another vehicle to enact a one-sided “tort reform”.

First and foremost, the base bill totally eliminates punitive damages. If this passes, Congress would be saying to the future victims of terrorism that the most outrageous acts of gross negligence or intentional misconduct that lead to an act of terrorism are totally immune from punitive damages. Thus, if a baggar screening firm hires a known terrorist who allows a weapon to slip on board a plane, this bill would protect that company from liabil-

The base bill also federalizes each and every action involving terrorism, throwing more than 200 years of respect for federalism out the window. Even worse, the liability provi-
sions bear little relationship to the issue of insur-
ance. As a matter of fact, they would apply to cases where the negligent party may have no insurance coverage whatsoever. The bill even takes away all judicial review relating to the bureaucratic decision as to whether ter-
rorism caused the injury, an unprecedented and very likely unconstitutional limitation on victims’ rights.

The pending bill also would limit the abil-
ity of the victims of terrorism to collect non-
economic damages. This says to innocent vic-
tims that damages from loss of consortium can be ignored and damages for victims who lose a limb or are forced to bear excruciating pain for the remainder of their lives are not as important as lost wages. Why Congress would want to prevent a grieving wife from obtaining monetary relief is beyond me, but that is ex-
actly what this bill does.

The bill goes on and on—comprising a veritable wish list of liability limitations. It com-
dates collateral source offsets, forcing victims to choose between seeking money from char-
ities and pursuing a grossly negligent party in court. It caps attorneys’ fees without providing any comparable limitation on defendant’s fees. Amazingly, the legislation would criminalize the fee cap, subjecting lawyers to jail time. The bill also eliminates pre-judgment interest, which takes away any incentive for negligent parties to reach pre-trial settlements. All of these harmful provisions are being proposed in the complete absence of hearings or any committee consideration.

If enacted, the tort provisions would con-
stitute the most radical and one-sided liability limitations ever. I urge the Members to vote “yes” on the substitute, and “no” on final pas-
sage.

LIABILITY LIMITATION PROVISIONS IN H.R. 3210, THE “TERRORISM RISK PROTECTION ACT.” (Prepared by the Democratic Staff of the House Judiciary Committee)

Section 15 of H.R. 3210, the “Terrorism Risk Protection Act,” proposes new and un-
necessary tort reforms that would be harm-
ful to victims of terrorism. Specifically, the bill federalizes all terrorism liability cases, prohibits judicial review of decisions to fed-
eralize such cases, eliminates punitive dam-
ages, limits the amount of non-economic damages for which defendants (not just in-
juries sustained by terrorist or by terrorist collateral source offsets, and imposes caps on attorneys’ fees. The following is a section-
by-section of H.R. 3210, Section 15.

Section 15. Terrorism Risk Protection Act.


Section 15(a)(1): This provides that, if the Secretary of the Treasury decides there has been one or more acts of terrorism, “there shall exist a Federal cause of action, which shall be the exclusive remedy for claims arising out of, relating to, or resulting from such acts of terrorism.” This is a broadly-written provision that would be used by any party to the judgment amount would be reduced, making the judgment the same no matter how long the process. Limiting interest would unfairly affect the innocent victim obtain less than full re-
cover the victim may have from any dam-
ages. Also, the prohibition on non-
and several liability between defendants. In such cases before a hoax could be designated an “act of terrorism.”

Section 15(a)(5): The bill applies to any actions by one or more defendants, provides a number of limits on damages in actions arising from a terrorist act.

Section 15(a)(6): Collateral Sources: re-
sources other than those described in the subsections of subsection (a) shall be the exclusive remedy for claims arising out of, relating to, or resulting from such acts of terrorism. This is not a party to the action. In addition, the critical term “act of terrorism” is undefined within the text of the legislation and thus grants much too latitude to the Secretary to deem an event an “act of terrorism” and allow wrongdoers to benefit from this section.

Section 15(a)(3): Substantive Law: states that an action under this section is governed by the law and choice of law principles of the state in which the terrorism occurred.

Section 15(a)(4): Jurisdiction: provides that the Judicial Panel on Multi-district Litigation will designate one court and that court will have exclusive jurisdiction on all cases arising out of a particular terrorist event.

Section 15(a)(5): On Damages: provides a number of limits on damages in ac-
tions arising from a terrorist act. In connection with any type of civil action related to ter-
orism, not just those pertaining to commer-
cial property and casualty insurance. These limitations on their face apply in every con-
celable action—state or Federal—relating to terrorism. In fact, the current version of the bill is worse than that reported by the Fi-

Finally, the provision gives the JUDGMENT, be used to offset relief payments made...
by culpable defendants. Under this provision, funds received by a victim from the Red Cross must be used to offset relief payments and reduce a wrongdoer's liability.

Section 15(a)—Attorney Fees: provides that attorneys' fees shall be limited to twenty percent of either the damages ordered or the gross premium if a policy is available to cover the attorney's fees. Any attorney who charges or receives fees in excess of twenty percent shall be fined not more than $2,000, imprisoned not more than on year, or both. Fee credits are limited to funds received by a victim from the Red Cross.

Section 15(e)(1). If the President can waive the protections for victims of state-sponsored terrorism, can waive the requirements of section 15(e)(2) and 15(e)(3) for state-sponsored terrorism?

Section 15(c). Right of Subrogation: provides that the United States has the right to subrogate from a person who attempts to commit, commits, or participates in a conspiracy to commit an act of terrorism. The right of subrogation is in addition to any other right or remedy available to the United States.

Section 15(d). Relationship to Other Laws: states that nothing in section 15 shall affect any other law that provides for the recovery of damages or for the payment of compensation, or for the settlement or disposition of claims under the Vienna Convention on Diplomatic Relations, or for the settlement or disposition of claims under the Vienna Convention on Consular Relations.

Section 15(e)(1). In General: provides that, in any proceedings in which a person obtains a judgment against a terrorist party, the frozen assets of the terrorist party or any agency or instrumentality of that party shall be available for satisfaction of the judgment. This provision removes frozen foreign sovereign immunity and is designed to ensure that victims of terrorism receive the compensation they are owed, even if the defendant is a foreign state.

Section 15(e)(2). Presidential Waiver: states that the President, on an asset-by-asset basis, has the authority to waive the provisions of section 15(e)(1) for any property subject to the Vienna Convention on Diplomatic Relations or the Vienna Convention on Consular Relations. The waiver authority provides that the United States shall have the right of subrogation from a person who attempts to commit, commits, or participates in a conspiracy to commit an act of terrorism.

Section 15(e)(3). Right of Subrogation: provides that the United States has the right of subrogation from a person who attempts to commit, commits, or participates in a conspiracy to commit an act of terrorism. The right of subrogation is in addition to any other right or remedy available to the United States.

Section 15(e)(4). Right of Subrogation: provides that the United States has the right of subrogation from a person who attempts to commit, commits, or participates in a conspiracy to commit an act of terrorism. The right of subrogation is in addition to any other right or remedy available to the United States.

Section 15(e)(5). Right of Subrogation: provides that the United States has the right of subrogation from a person who attempts to commit, commits, or participates in a conspiracy to commit an act of terrorism. The right of subrogation is in addition to any other right or remedy available to the United States.

The vote was taken by electronic device, and there were—yeas 197, nays 222, not voting 14, as follows:

Baker, Mr. BAKER. Mr. Speaker, let me begin by aligning myself with the statement of Chair- man LaFalce and the LaFalce substitute. The LaFalce substitute has many of the same components of H.R. 3210 because H.R. 3210 represents, in large part, the cooperative effort of Chairman Oxley and I. Mr. KANUORSKI and me. However, the differences in the substitute from H.R. 3210 demonstrate exactly where Chairman Oxley and I diverge from our Democratic colleagues. The LaFalce substitute includes provisions that we simply could not agree to, which is why I urge my colleagues to vote "no."

First, a key component in that it mandates commercial property and casualty insurers to include terrorism risk coverage on all policies on the same terms and amounts as their other commercial coverage. This precludes businesses from creating risk management solutions that meet their particular needs. For instance, many small businesses may not feel that their size, location or exposure merits the additional cost of terrorism insurance—but they would have to pay for it regardless under the LaFalce proposal. The LaFalce substitute would not permit a business to buy only standard commercial property and casualty coverage from one insurer and terrorism coverage from another if there is a pricing advantage in doing so. The plan also denies the insured the ability to self-insure the risk of terrorism and require the risk or to purchase multiple layers of terrorism coverage.

In addition to the problems that mandated coverage creates for consumers, it also un- unnecessarily preempt state law on form regu- lation by having the Federal government man- date the terms and conditions of coverage. The certainty provided by the exposure limits in our Bill and the assessment system in our Bill provides the proper incentives for commer- cial property and casualty insurers to provide terrorism risk coverage.

Another problem with the LaFalce substitute is that the insurance mechanism that it creates does not effectively spread risk, prevent gam- ing, provide adequate protections to small in- surers, or encourage the spreading of risk through reinsurance. While both Bills require that industry pay the first $5 billion in losses due to terrorism in the first year and the first $10 billion in subsequent years, the LaFalce plan does not effectively spread this risk throughout the industry. By having a $5 billion deductible, the LaFalce substitute could lose these losses are calculated or paid, his plan com- petitively disadvantages small insurance com- panies who would not be able to absorb the tremendous losses that would be incurred by those small insurers before the industry assist- ance kicks in.

To try to respond to the small insurer dis- advantage, the LaFalce plan has an individual insurance company exposure limit of 7 percent of gross premium—not net premium as stated in his summary. This is a very important point in that the gross premium number does not give the insurer credit for the reinsurant that it has purchased. Thus, before federal assist- ance kicks in, the insurer would have to suffer losses equaling over 7 percent of its gross premium even though it has already spread much of the risk that it cannot cover to reinsurers. The result: insurers are not able to write as much insurance and assistance will not kick in for them until they have already been put into financial duress.

Additionally, the LaFalce plan encourages gaming of the system. Insurers will delay claims and loss reports for months or years so that they occur after the industry deductible is reached. That way, they avoid having to ab- sorb any of the losses themselves. Our plan does provide first dollar coverage once the triggers are met to prevent such gaming; and while the LaFalce plan does not require the in- dustry to retain any losses after his proposal starts to provide assistance, our Bill always re- quires that the insurer absorb at least 10 per- cent of the losses at all times, regardless of federal assistance.

Finally, the LaFalce substitute strips out the sovereign immunity provisions of H.R. 3210. Acts of terrorism give rise to very unique sets of facts and a complexity of interested parties that is uncommon in tort law. In the adminis- tration of the program established by this Act, it is essential that there is consistency and timely response. Multiple state forums award- ing immense damage awards undertaken by federally supported insurance companies would result in a patchwork of inconsistent state judgments that would impede the effective and fair implementa- tion of this program. The lack of limited fed- eral forums for claims would result in the kinds of tragic delays in the prompt compensation of victims as we have seen in other mass tort actions such as the 1983 WTC bombing where cases are just now coming to trial.

Equally as important are the provisions on punitive damage awards and joint and several liability for losses caused by terrorist attacks. Acts of terrorism differ fundamentally from other losses that the tort system is designed to deal with in that the overwhelmingly cul- pable party, the terrorists, will either not be in the court or their assets will be limited or unreachable. To subject affected parties of a terrorist attack and the United States taxpayer to punitive damage awards for the acts of suicidal and maniacal terrorists is a poor allo- cation of limited resources and simply unfair to the group of victims as a whole. Further- more, to suggest that an affected party that is found to be 1 percent at fault for a negligent omission of some minor sort could be held re- sponsible for 100 percent of damages due to a terrorist attack is beyond reason.

I strongly urge a "no" vote on this amend- ment.

The SPEAKER pro tempore (Mr. NETHERCUTT). All time for debate on the amendment in the nature of a substi- tute has expired.

Pursuant to House Resolution 297, the previous question is ordered on the bill, as amended, and on the amend- ment offered by the gentleman from New York (Mr. LAFALCE).

The question is on the amendment in the nature of a substitute offered by the gentleman from New York (Mr. LAFALCE).

The question was taken; and the Speaker pro tempore announced that there appeared to have a quorum.

Mr. LAFALCE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evi- dently a quorum is not present.

The Sergeant at Arms will notify ab- sent Members.

The vote was taken by electronic de- vice, and there were—yeas 197, nays 222, not voting 14, as follows:
Mr. LAFALCE moves to recommit the bill to the Committee on Financial Services with instructions to report the same to the House forthwith with the following amendments:

1. An addition. It deletes all of the tort provisions. It would prevent the insurance industry from passing the costs of paying for claims to the public in the form of higher premiums or other charges for property and casualty insurance coverage. It would allow any amounts to cover costs attributable to any assessment under this section (including the payment of any assessment and costs of financing such payment).

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. NETHERCUTT). Is there objection to the request of the gentleman from New York (Mr. LAFALCE) for 5 minutes in support of his motion to recommit?

Mr. LAFALCE (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD. The SPEAKER pro tempore (Mr. NETHERCUTT). There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. LAFALCE) is recognized for 5 minutes in support of his motion to recommit.

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

Mr. Speaker, let me make the following points. The National Taxpayers Union not only requests a “no” vote on final passage of the bill, they will be scoring final passage of the bill as it stands. I just want to make Members aware of that.

Second, what is in the motion to recommit takes the House bill as it is right now, two changes, one, a deletion. It deletes all of the tort provisions. Number two, an addition. It would prevent the insurance industry from passing through the costs of paying for claims to the public in the form of higher premiums or other charges for property and casualty insurance coverage. It would allow any amounts to cover costs attributable to any assessment under this section (including the payment of any assessment and costs of financing such payment).

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. LAFALCE

Mr. LAFALCE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. The gentleman opposed to the bill?

Mr. LAFALCE. Yes, I am opposed, and the National Taxpayers Union is opposed to the bill in its current form. The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk reads as follows:

Mr. LAFAULCE moves to recommit the bill H.R. 3210 to the Committee on Financial Services with instructions to report the same back to the House forthwith with the following amendment: Strike section 15 of the bill (relating to litigation management).

At the end of section 6 of the bill (relating to federal cost-sharing for commercial insurers), add the following new subsection:

(g) REQUIREMENT.—Notwithstanding any other provision of this Act, the Secretary may not provide financial assistance under this section to any commercial insurer unless the commercial insurer provides to the Secretary such assurances, as the Secretary shall by regulation require, that such insurer company will comply with the regulation issued pursuant to subsection (c) of this section.

The motion to recommit was adopted by the addition of the following subsection:

At the end of section 7 of the bill (relating to assessments), add the following new subsection:

(1) PROHIBITION OF PASS-THROUGH.—The Secretary shall, by regulation, prohibit any commercial insurer from including in any premiums or other charges for property and casualty insurance coverage any amounts to cover costs attributable to any assessment under this section (including the payment of any assessment and costs of financing such payment).
If we are genuinely concerned about preventing an insurance crisis, we should agree to this motion and pass a clean bill. Let us not try to rewrite the fundamental rules of the civil justice system late at night without thoughtful and considerate debate. Note that the Court of Appeals in the District of Columbia would prohibit the courts from awarding punitive damages in cases arising out of terrorist incidents no matter how outrageous the underlying conduct.

For example, even for private airport security contractors who wantonly, recklessly, maliciously hired convicted felons, failed to perform background checks, there would be no punitive damages. Even for landlords who deliber-ately ignore safety codes and fail to install escape routes in their buildings, there would be no punitive damages. Nobody wants to hold parties responsible if they bear no blame, but this provision lets them off the hook, even if they knowingly engage in conduct that puts our fellow citizens at risk.

Mr. Speaker, I would hope that the motion to recommit would prevail, and I urge support for the motion.

Mr. LAFalce. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. KANJORSKI), a member of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.

Mr. KANJORSKI. Mr. Speaker, I support the motion to recommit because it is certainly in the first provision cleaning up the tort reform provisions, which would go a long way in moving the process along to a final conclusion.

A second provision in the bill allows, of course, for restrictions to pass through. As I understand the concept, rather than allowing insurance companies to keep their profit scales and just pass a rate increase on to the customers, even though they have profits that the cost of those losses, they first would have to look at their profits before there is a pass-through.

The purpose of this motion to recommit is to put a bill together that is more tenable for action in the Senate and eventually to pass this House. I urge my colleagues on both sides to re-examine their conscience and put the real issue at stake, the need for reinsurance in this country, a good underlying bill that was structured to accommodate that, and to do it in a bipartisan way.

Mr. LaFalce. Mr. Speaker, I yield back the balance of my time.

Mr. oxley. Mr. Speaker, I rise in opposition to the motion to recommit. The SPEAKER pro tempore. The previous question is ordered: the motion to recommit. The question was taken; and the vote was by electronic device, and there were—aye votes 243, noes 173, not voting 17, as follows:

[Roll No. 463] AYES—173

Abercrombie  —  Condit  —  Hastings (FL)
Ackerman  —  Conyers  —  Hilliard
Allen  —  Costa  —  Hinchey
Andrews  —  Coyne  —  Hinojosa
Baca  —  Cummings  —  Horstman
Baldacci  —  Davis (CA)  —  Holden
Balderas  —  Davis (IL)  —  Honda
Barcia  —  DeGette  —  Hooley
Barrett  —  Delahunt  —  Hoyer
Barone  —  Delker  —  Inslee
Berman  —  Dingell  —  Israel
Bosco  —  Doggett  —  Jackson (IL)
Borcia  —  Doyle  —  Jackson-Lee (TX)
Boswell  —  Edwards  —  Jefferson
Boyd  —  Eggs  —  Johnson (TX)
Brody  —  Eshoo  —  Kaptur
Bradley (PA)  —  Evans  —  Kaptur
Brown (OH)  —  Farr  —  Kennedy (RI)
Broyhill  —  Feingold  —  Kildee
Capuano  —  Filter  —  Kinkle
Cardin  —  Frank  —  Kucinich
Carson (OK)  —  Gephardt  —  LaFalce
Clay  —  Gonzalez  —  Lampson
Clayton  —  Gorton  —  Lantos
Clement  —  Hal (OH)  —  Larsen (WA)
Cllyburn  —  Harman  —  Larsen (WA)

Mr. Speaker, I urge all Members to oppose this motion to recommit and ensure equitable compensation to victims while protecting the American economy and the taxpayer.

Mr. oxley. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. LaFalce. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—aye votes 243, noes 173, not voting 17, as follows:

[Roll No. 463] AYES—173

Abercrombie  —  Condit  —  Hastings (FL)
Ackerman  —  Conyers  —  Hilliard
Allen  —  Costa  —  Hinchey
Andrews  —  Coyne  —  Hinojosa
Baca  —  Cummings  —  Horstman
Baldacci  —  Davis (CA)  —  Holden
Balderas  —  Davis (IL)  —  Honda
Barcia  —  DeGette  —  Hooley
Barrett  —  Delahunt  —  Hoyer
Barone  —  Delker  —  Inslee
Berman  —  Dingell  —  Israel
Bosco  —  Doggett  —  Jackson (IL)
Borcia  —  Doyle  —  Jackson-Lee (TX)
Boswell  —  Edwards  —  Jefferson
Boyd  —  Eggs  —  Johnson (TX)
Brody  —  Eshoo  —  Kaptur
Bradley (PA)  —  Evans  —  Kaptur
Brown (OH)  —  Farr  —  Kennedy (RI)
Broyhill  —  Feingold  —  Kildee
Capuano  —  Filter  —  Kinkle
Cardin  —  Frank  —  Kucinich
Carson (OK)  —  Gephardt  —  LaFalce
Clay  —  Gonzalez  —  Lampson
Clayton  —  Gorton  —  Lantos
Clement  —  Hal (OH)  —  Larsen (WA)
Cllyburn  —  Harman  —  Larsen (WA)
Mr. ROEMER and Mr. MORAN of Virginia changed their vote from "aye" to "no.

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. NETHERCUTT). The question is on passage of the bill.

The vote was taken by electronic device and there were—aye 227, noes 193, not voting 33, as follows:

[Roll No. 466]

AYES—227

Mr. LAFLACE, Mr. Speaker, I demand a record vote.

A recorded vote was ordered.
Mr. CROWLEY changed his vote from "aye" to "no."
So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

MUSCULAR DYSTROPHY COMMUNITY ASSISTANCE, RESEARCH AND EDUCATION AMENDMENTS OF 2001

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent to take from the Speaker the bill (H.R. 717) to amend the Public Health Service Act to provide for research with respect to various forms of muscular dystrophy, including Duchenne, Becker, limb girdle, congenital, facioscapulohumeral, myotonic, oculopharyngeal, distal, and Emery-Dreifuss muscular dystrophies, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

SEC. 7. STUDY ON THE USE OF CENTERS OF EXCELLENCE AT THE NATIONAL INSTITUTES OF HEALTH.

(a) REVIEW.—Not later than 60 days after the date of enactment of this Act, the Secretary of Health and Human Services shall enter into a contract with the Institute of Medicine for the purpose of conducting a study and making recommendations on the impact of, need for, and other issues associated with Centers of Excellence at the National Institutes of Health.

(b) AREA OF REVIEW.—In conducting the study under subsection (a), the Institute of Medicine shall at a minimum consider the following:

(1) The current areas of research incorporating Centers of Excellence (which shall include aspects of such areas) and the relationship of this form of funding mechanism to other forms of funding for research grants, including investigator initiated research, contracts and other types of research support awards.

(2) The distinctive aspects of Centers of Excellence, including the additional knowledge that may be expected to be gained through Centers of Excellence as compared to other forms of grant or contract mechanisms.

(3) The costs associated with establishing and maintaining Centers of Excellence, and the record of scholarship and training resulting from such Centers. The research and training contributions of Centers should be assessed on their own merits and in comparison with other forms of research support.

(4) Specific areas of research in which Centers of Excellence may be useful, needed, or underused, as well as areas of research in which Centers of Excellence may not be helpful.

(5) Criteria that may be applied in determining when Centers of Excellence are an appropriate and cost-effective research investment and conditions that should be present in order to consider the establishment of Centers of Excellence.

(6) Alternative research models that may accomplish results similar to or greater than Centers of Excellence.

(c) REPORT.—Not later than 1 year after the date on which the contract is entered into under subsection (a), the Institute of Medicine shall complete the study under such subsection and submit a report to the Secretary of Health and Human Services and the appropriate committees of Congress that contains the results of such study.

Mr. TAUZIN (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. NETHERCUTT). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Louisiana?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 717.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

ACCESS AND OPENNESS IN SMALL BUSINESS LENDING ACT OF 2001

(Mr. MCGOVERN asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include therein extraneous material.)

Mr. MCGOVERN. Mr. Speaker, I join my colleagues today to introduce the Access and Openness in Small Business Lending Act of 2001, a bill that I hope will dramatically improve lending practices that benefit women and minority owned small businesses.

This legislation will amend the Equal Credit Opportunity Act and require depository lenders such as banks, credit
unions, and thrifts to collect race and gender information for small business borrowers. But while the Access and Openness Act requires depository institutions to keep such records, it does not require borrowers to disclose race and gender information if they do not want to.

The Access and Openness Act will effectively eliminate the Federal Reserve’s regulation B, which prohibits lenders from collecting data regarding an applicant’s gender and race. The simple people behind this bill is time-tested and simple: sunshine is the best disinfectant. Without the specific knowledge of the demographic composition of small business borrowers, excluding those that apply but do not get approval, we will never be able to unmask discriminatory lending practices or systematically monitor programs that advance women and minority business ownership.

The Access and Openness Act is modeled after the Home Mortgage Disclosure Act, which requires banks to report demographic data on home mortgage lending. It is my hope that this bill will move banks to operate as effectively in the women and minority small business lending market as they have in the home mortgage market where the collection of demographic data has opened lending to underserved communities.

Mr. Speaker, I will include at this point in the RECORD the following supporting organizations.

ACCESS AND OPENNESS IN SMALL BUSINESS LENDING ACT OF 2001

SUPPORTING ORGANIZATIONS

National Women’s Business Council, a federal commission, Association for Women’s Business Centers, Women’s Business Development Center, Milken Institute, National Community Reinvestment Coalition, Hispanic Economic Development Corporation, and Association for Women Business Centers.

Southern Rural Development Initiative, National Congress for Community Economic Development, Southern Economic Development Corporation, Pittsburgh Community Reinvestment Group, Chelsea Neighborhood Housing Services, Rural Opportunities, and Greater Holyoke Community Development Corporation.


NATIONAL COMMUNITY REINVESTMENT COALITION


Hon. James P. McGovern,
House of Representatives, Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN MCGOVERN: The National Community Reinvestment Coalition (NCRC) strongly supports “the Access and Openness to Small Business Lending Act of 2001” as essential to the efforts of lending institutions, community organizations, and local public agencies to increase access to capital and credit for women- and minority-owned businesses. NCRC’s 800 member organizations—community groups and local public agencies—strongly commend the leadership of Representatives McGovern and Morella in sponsoring this bill.

The Access in Small Business Lending Act of 2001 would amend the Equal Credit Opportunity Act (ECOA) to require banks, thrifts, and credit unions to report the race and gender of the small business owners from which they receive applications and to which they make loans. This data is to be disclosed regardless of whether the application is made in person, over the phone, or received via mail or the Internet.

This data disclosure requirement promises to greatly increase access to credit for minority and women-owned businesses. Working together, community groups, lending institutions and local public agencies would analyze publicly available small business data and identify the small business owners and neighborhoods that remain underserved. Stimulated by data disclosure, these types of community-lenders partnerships are a window into traditional lender markets and find additional profitable lending opportunities; community organizations and small businesses receive access to private sector capital, privatize their neighborhoods and expand their commercial base.

An amendment to HMDA (Home Mortgage Disclosure Act) data in 1990 to require the reporting of race and gender of applicants unleashed a tremendous increase in lending to traditionally underserved populations. From 1990 to 1996, for example, the number of conventional home purchase loans increased 119 percent for African-Americans, 116 percent for Latinos, and only 42 percent for whites. Unfortunately, there is not as sanguine in the small business area. The truncated CRA small business data (which only reveals the census tract in which a loan is made) suggests that much progress needs to be made. From 1996 to 1999, the number of small business loans increased 39 percent overall but only 8 percent in low-income census tracts. As a result, the percent of small business loans made in low- and moderate-income tracts declined from 21 percent to 18 percent, despite the effort.

WORLD AIDS DAY

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

Mrs. CLAYTON. Mr. Speaker, I would like first to thank the gentlewoman from California (Ms. Lee) for asking us to really speak out on this worldwide issue, which gives us an opportunity to speak out on this issue 2 days before what we call World AIDS Day. As this day approaches, we are faced with the grim statistics about the spread of HIV/AIDS. From the rural South in my area of Virginia to South Africa, greater efforts have to be made to fight the spread of AIDS. We hear these statistics. They do not even prick our consciousness. We have got to find a way to make sure that these statistics do not become just another statistic.

A recent story in USA Today reports that the AIDS epidemic is spreading across eastern Europe, with HIV infection rates rising faster in the Soviet Union than anywhere else in the world. I would like to submit this article for the RECORD.

There has been more than 75,000 new cases of HIV in Russia as compared to 56,000 cases last year. Here in the United States, HIV infections among U.S. women have increased significantly over the last decade, especially in communities of color.

We must do more. We have an opportunity to do more. The United States provides more than the global AIDS fund of the United Nations. We can do this by providing the resources and being a leader. We must develop long-term strategies to make sure that we rid the world of HIV infections.

REPORT: AIDS SPEWING EASTERN EUROPE

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We must do more. We have an opportunity to do more. The United States provides more than the global AIDS fund of the United Nations. We can do this by providing the resources and being a leader. We must develop long-term strategies to make sure that we rid the world of HIV infections.

Worldwide, “HIV/AIDS is unequivocally the most devastating disease we have ever faced, and it will get worse before it gets better.” Peter Pilot, executive director of the Joint U.N. Program on HIV/AIDS wrote in the report, which is updated annually ahead of World AIDS Day, held every Dec. 1.

Russia, more than any other country, bears the brunt of the epidemic. Russia is seeing 10,000 new cases of HIV infection were reported by early November, compared to 50,000 new cases last year.

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The U.N. report said unsafe sex was on the rise in high-income countries such as the United States and some European nations, subsequently triggering a rise in sexually transmitted diseases, including HIV.

"All the emphasis is put on treatment, which has had a major impact, but prevention has been neglected and education has been neglected," Piot said. "The price that we will have to pay for that neglect is very high."

The report found a bright spot in Cambodia, where prevention measures have had a significant impact, but officials also warned about the deteriorating situation in China and in the Caribbean, which continues to be the second most affected region in the world.

Last June, the U.N. General Assembly held a special session on HIV/AIDS, winning pledges from governments to pursue new preventive actions and contribute more funds to the fight. The United Nations estimates that some $10 billion will be needed every year to fight AIDS in low and middle-income countries.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. WICKER) is recognized for 5 minutes.

Mr. WICKER. Mr. Speaker, ever since Mr. Speaker, I rose today to share the story of an inspiring, patriotic project undertaken in a community in Mississippi's First Congressional District. The students and residents of Jumpertown, in Prentiss County, Mississippi, chose a unique way to share their words of support and patriotism by including them in a community quilt, conceived the idea, which quickly became more than a school project. It was enthusiastically embraced by the entire community.

Mrs. Betty Sue Geno started the process by cutting cloth squares, which were then distributed to each class, kindergarten through 12th grade, in the Jumptown School. The office staff and lunchroom ladies also participated. Each group was given the opportunity to create and decorate the individual squares.

When all pieces were completed, Mrs. Penny Padgett designed and sewed the quilt top. Then the squares were turned over to a group of ladies in the community who met at the Barksdale Parents Center for an old-fashioned quilting bee.

The ladies who put it all together were Mrs. Ruby Smart, Mrs. Sue Nell Searcy, Mrs. Mary Odle, and Mrs. Louise Robinson. They were assisted by teachers and staff members from Jumpertown School, including Lisa Cousar, Elisha Jumper, and Martha Mitchell.

Mr. Speaker, I was proud to be part of a patriotic ceremony on November 12, the day after Veterans Day, to present the quilt officially. The entire school assembled in the gymnasium, along with many people from the community, to pay tribute to Prentiss County veterans and to celebrate this very special project.

Prentiss County superintendent of education Lisa Perrigo and Jumpertown principal Kenneth Chisholm took part in the program. It included patriotic musical selections from students Kayla Robinson and Megan Downs and teacher Norma Jo Jones. Sixth-grader Channing Durham also read a poem he had written.

In her remarks, Mrs. Johnson said, "Much as our Nation has come together, our community has pulled together on this quilt. We are sending this to President Bush with the hope that he knows that in Jumpertown our prayers, our thoughts, and our support are with him and the country."

This project in Jumpertown, Mississippi, Mr. Speaker, is a reflection of the American spirit which has sustained our Nation during these difficult times. I proudly accepted this quilt on behalf of the entire United States Congress, and I look forward to taking it to President Bush at the White House.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

Mr. SOUDER. Mr. Speaker, on Tuesday evening after returning from a day and a half visit with the Canadian parliamentarians and government leaders in Ottawa, I spoke briefly about the importance of our mutual trade and our mutual concerns about terrorism.

It is important when we are discussing antiterrorism efforts on our north and south borders that we not forget the importance of trade. The trade crossing just the Ambassador Bridge between Windsor, Ontario, and Detroit, Michigan, equals all U.S.-Japan trade.

That said, Americans as well as Canadians and Mexicans are concerned about the movement of terrorists and other illegal activity along our borders. It is not just about terrorists and possible terrorists; Canadians and Americans have been aware of the narcotics problems along the U.S.-Mexican border over the last decade. Andean cocaine and heroin move into the U.S. through Mexico and the Caribbean Sea. The northern border does not have the fences and patrols that we have along the southern border.

Now, as drug patterns change in the United States, Canada has become a major narcotics conduit to the United States, as well; Ecstasy and other synthetic drugs are moving through Canada. These are in fact our fastest growing drug problems.

Furthermore, potent marijuana from British Columbia, called B.C. Bud, and from Quebec, called Quebec Gold, have potencies similar to cocaine. In fact, Quebec Gold sells for about the same price as cocaine in New York City. But it is important for Americans to understand two basic points: one, it is our consumption that has resulted in our hemispheric neighbors turning into transit and drug-producing nations; and, B, in the case of Canada, the drug-trafficking, like the movement of terrorists, goes both ways.

This does not change the need for border control. The borders are often open. We have chance to not only border traffickers and terrorists before they lose themselves within our free nations; thus, we have to work on border control.
So how can we keep our trade, tourism, and shared work forces moving with relative ease, and also protect our nations? It is not a matter of Canada, Mexico, or the U.S. dictating to the other nations about what must be done, but this is: the fact: the United States is tightening its laws. If our neighbors do not, as well, trade will suffer.

Changes must include numerous things, including more shared intelligence information among trained professions. The personnel had to be trained so we do not have compromises when we share information, like happened with the Mexican drug czar who was living in an apartment that was owned by the cartels.

The ability to collect intelligence information. We have to have laws that are flexible enough to allow us to gather the intelligence, or we cannot allow the movement across the borders as free as it has been in the past.

The ability to extradite criminals to the U.S. This has been a sticking point for many years with numerous countries, for example, in Colombia where the drug-corrupted President would not allow and it became a place for them to hide out. It became a process where we in fact cut off trade and assistance to Colombia. It is now a problem with al Qaeda members from Spain, which does not want to send them to us because of our death penalty.

Extradition of those who murder Americans is essential for justice, but also for defense and for protection and deterrence. Terrorists and drug lords would rather face soft justice than U.S. justice.

In Holland, narcotics traffickers find cover. If someone in Holland attempts to escape or escapes from prison, there is no penalty. It is assumed that that is a natural thing, to want to escape from prison. Is it any wonder that people try to hide in Holland, with those kinds of laws? No wonder drug lords and terrorists try to hide out in other nations that do not work with our extradition.

We need passengers as well, our Customs Director, Mr. Bonner, has insisted; and we need them now. We cannot have open airports if we do not know who the passengers are coming in, and it is something that needs to be done immediately, to the degree that we can all, including the U.S. And we, the U.S., after all, missed the September 11 terrorists, and they were here, not at the other places. So this is not just about pointing fingers while we live in a glass house. We know we need to make the changes, but so do our neighbors.

We in the U.S. are building a different house. It is not dramatic, but it is going to have major adjustments. If our neighbors do so also, and Canada clearly is working rapidly to do so as we speak, because they are moving their antiterrorism and immigration packages in the next 2 weeks, we can make this.

The laws will be different but similar, with our neighbors devoting resources to their own airports and borders not adjacent to the U.S. For example, the southern border with Mexico and Central America, if we are sure about that border, then we do not have to be as careful on our border; or if the airports coming into Vancouver and Halifax have protections similar to ours, then we do not need to be as tight on the north border.

Furthermore, we need to work towards joint efforts with Canada and Mexico on our joint borders. For example with Canada, we can look for cooperation on truck sites. We can look for shared border crossings where we do not need as much. I believe we can accomplish this with both countries by working together.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. Langevin) is recognized for 5 minutes. (Mr. Langevin addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ON WORLD AIDS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. Millender-McDonald) is recognized for 5 minutes.

Ms. MILLENDER-McDONALD. Mr. Speaker, this Saturday, December 1, marks the commemoration of World AIDS Day. In my district, I will be holding a special event in support of this occasion.

As our distinguished minority leader, the gentleman from Missouri (Mr. Gephardt), stated at the World AIDS Day briefing held earlier today in the Capitol by the African Ambassadors Group and the International AIDS Trust, the issue of HIV/AIDS, he said, is the "moral issue of our time." It affects everyone and everything.

Mr. Speaker, we must leave no stone unturned to bring an end to this pandemic. We must find a way to create an environment that funds that assists the war against the spread of this disease, both domestically and internationally.

We must increase and accelerate our financial support to the U.N. Secretary General’s AIDS Trust Fund, and we must champion our own colleagues in their quest to craft a comprehensive approach to help alleviate the appalling suffering in Africa, as represented by the bill of my distinguished colleague, the gentlewoman from California (Ms. Lipinski), to establish a Marshall Plan for Africa.

Mr. Speaker, it is vitally important that we focus on ways and means to strengthen infrastructures and services that can help combat the impact of AIDS. HIV/AIDS, after all, is a multidimensional issue that has long-range development implications. It is not just a matter of clinical treatment and preventative measures. We must address the issues of poverty and debt relief, so that the poorest countries can apply more of their revenues to the basic human rights and human needs of their people.

We must help and encourage greater gender equality, so women and men can address their sexual dialogue on a more equal basis. We must achieve greater understanding of the cultural values and modes of behavior that undercut safe-sex practices that lead to the spread of this pernicious disease.

Finally, we must increase our financial support to develop activities and programs that can lay a more sustainable foundation for community empowerment and economic livelihood. Only on this basis will communities around the world, through NGOs and public-private partnerships, be able to find the will to wage this war against AIDS. Our local event will bring together researchers, doctors, and other professionals with the foundations and pharmaceutical companies, together with community leaders to continue to raise support for combating HIV/AIDS in the 37th district and in the region.

Let us hope that similar commemorative activities across America and around the world will highlight the leadership being brought to bear on this critical concern of our time. Just as we are building a powerful coalition to fight terrorism on a global scale, we can do no less when it comes to HIV/AIDS. Forty million people living with this dreadful disease is one too many.

COMMEMORATING WORLD AIDS DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. Jackson-Lee) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this week we will commemorate, celebrate, embrace, and share love on World AIDS Day, December 1, 2001. Today I had the pleasure and honor of being with the African Ambassadors Group and the International AIDS Trust to commemorate that for the House and Senate.

It is important that policy leaders stand up and be counted as we move forward to continue the fight against the devastation of HIV/AIDS worldwide.

Let me thank Sandy Thurman and, as well, all of the African ambassadors, and Ambassador Sheila Suzuli of South Africa, who gave very eloquent comments and remarks about the waging of the war in Sub-Saharan Africa.

Let me also acknowledge my friends with the Names Project in Houston. I will join them tomorrow in celebrating
and commemorating the loss of lives, and as well, the lives of those who are still living with AIDS.

As we do that tomorrow evening at the de Menil Museum, we do it together, embracing and noting the wonderment of the lives that are standing alongside us but recommitting ourselves to fighting against the devastation of HIV/AIDS.

I say congratulations and my best wishes to the NAMES Project of Houston and all the other fighters in my community who are advocating against HIV/AIDS and working to provide prevention dollars and treatment dollars throughout the entire city, which includes of course the Donald Watkins Foundation.

September 11 will live forever in our hearts and minds as one of the most tragic and horrific acts of terrorism on our country. We have all joined forces to fight back against this terrible evil. Foreign countries have also responded and lent their support to help combat terrorism. It was proven that by joining together, any challenge can be overcome.

While we have focused our attention to addressing the immediate needs of the survivors and families who lost loved ones, increased security, and the economy, we must refocus our attention as well to the global pandemic that has claimed over 29 million lives. The same strategy we apply in our fight against terrorism, we must utilize in our fight to beat HIV/AIDS.

I traveled to the South African region in 1999 and this year, and what I witnessed was unbelievable. First, I would like to commend the indomitable spirit of those who are fighting HIV/AIDS. The leadership, the government, the social agency, the NGOs, the people of Africa, we stand together. It was a life-changing event to see and meet people infected by this deadly virus but also to meet those who were standing alongside of them, committed to defeat this deadly disease.

What affected me most was witnessing the thousands of orphan children whose parents had died from AIDS. Currently there are approximately 14 million children orphaned by HIV/AIDS, with a projection of 40 million children by 2010 if no action is taken. Every minute, an African child dies of AIDS. These orphans are more likely to be poor, deprived of education, abused or neglected.

Who cares for them when their parents die? HIV/AIDS also decimates the family support system, and when I went on one of my earlier trips to Africa, I saw a 4-year-old who was left to be the only healthy individual in a family taking care of dying adults, dying from HIV/AIDS.

A teacher who works near the Chinakas and the Kasongos described how 15 of his 42 students have lost one or both of their parents. He sees thousands of children just sitting around, wanting to be left alone. He also noticed that some of these orphans come to school without shoes or without a sweater in the winter. Either their step-families put them last on the list, or their grandparents could not scrape together enough money.

It is important to note the impact of HIV/AIDS in the United States. Non-Hispanic blacks represent 33 percent of reported AIDS cases in our Nation, and throughout more than 80,000 of 146,285 African Americans reported to have AIDS have died.

We must work together to fight AIDS worldwide around this country, because if we do not we will stand to lose the talent, the spirit of those who are infected. We must fight it around the world; otherwise we will lose as well. Cases in Hispanics, among women, African American and children, this is a challenge for us all.

As we approach World AIDS Day on December 1, I must stand strong and continue to fight and raise awareness.

Forty million people around the world live with HIV/AIDS or will be living with it by the end of 2001, adults and children, 28 million of which live in sub-Saharan Africa alone.

Since the first HIV case 20 years ago, over 60 million persons have been infected, and over 20 million have already died from AIDS. The spread continues, especially in poorer countries.

In Africa, there are an estimated 11,000 new infections per day, and during 2001 approximately 2.3 million Africans will die from HIV/AIDS. Only 10 percent of the world’s population lives south of the Sahara, but the region is home to two-thirds of the world’s HIV-positive people, and it has suffered more than 80 percent of all AIDS deaths.

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This is a global issue and everyone must also utilize in our fight to beat HIV/AIDS.

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This is a global issue and everyone’s problem, nationwide and worldwide.

The Global Health Alliance released a report yesterday, entitled “Pay Now or Pay More Later: An Independent Report on the Response to the Global HIV/AIDS Pandemic.” Today, the African Ambassadors Group and International AIDS Trust sponsored a briefing on Refocusing and Reaffirming our Commitment to AIDS. As we approach World AIDS Day on December 1, we must stand strong and continue to fight and raise awareness.

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The key to fighting this virus must involve a comprehensive approach that includes prevention, education, and support of a health care infrastructure. HIV prevention efforts must take into account not only the multiracial and multicultural nature of our society, but also other social and economic factors, such as poverty, unemployment, and poor access to the health care system, that impact health status and disproportionately affect African and Hispanic populations.

We, as Members of Congress, must continue to fight the struggle and persist in obtaining improvements in the global AIDS response. This is one of the great challenges of our time and of this generation.

REMEMBERING THE LIVES OF
REVEREND CHARLES H. SHYNE,
JR., AND HIS WIFE, MRS.
VERLENA PRUITT SHYNE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. TOWNS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. TOWNS) is recognized for 5 minutes.

Mr. TOWNS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

Ms. BARTLETT of Colorado is recognized for 5 minutes.

Mr. Speaker, yes, we care. World AIDS Day emerged from the call by the World Summit of Ministers of Health on Programmes for AIDS Prevention in January 1988 to open channels of communication, strengthen the exchange of information and experience, and forge a spirit of social tolerance. Since then, it has received the support of many notable organizations world-wide. Notably, the AIDS campaign started on September 1, 2001, and ends on December 1, 2001, which is World AIDS Day.

Every single day more than 8,000 people die of AIDS. Every hour almost 600 people become infected and every single minute, a child dies with the virus. World-wide, the AIDS epidemic has become an extremely difficult battle to combat. While many nations' health care systems lag behind the increasing demand for the supply of drugs that treat AIDS and the virus associated with the disease. Many of the infected cannot afford the drugs or may not be able to obtain insurance that will cover the treatment of the disease.

Mr. Speaker, here is another example of where two outstanding citizens who have devoted their lives to serving others have had their own lives cut short as a result of overuse of alcohol while operating a mechanized vehicle, an individual driving without any concern for his safety and the safety of others.

We must all join together to find more effective solutions to this problem of people driving under the use of alcohol.

Mr. Speaker, another subject, I too just want to acknowledge that today is indeed World AIDS Day. I join with all of those who have spoken relative to the tremendous need to make sure that every effort is made to continue to supply resources, come up with programs and activities to make sure that we combat this deadly disease.

Mr. Speaker, we recognize the 13th anniversary of World AIDS Day, it is noted that the theme for this years Day is; I care. Do you? Mr. Speaker, yes, we care. World AIDS Day emerged from the call by the World Summit of Ministers of Health on Programmes for AIDS Prevention in January 1988 to open channels of communication, strengthen the exchange of information and experience, and forge a spirit of social tolerance. Since then, it has received the support of many notable organizations world-wide. Notably, the AIDS campaign started on September 1, 2001, and ends on December 1, 2001, which is World AIDS Day.

Every single day more than 8,000 people die of AIDS. Every hour almost 600 people become infected and every single minute, a child dies with the virus. World-wide, the AIDS epidemic has become an extremely difficult battle to combat. While many nations' health care systems lag behind the increasing demand for the supply of drugs that treat AIDS and the virus associated with the disease. Many of the infected cannot afford the drugs or may not be able to obtain insurance that will cover the treatment of the disease.

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I urge that we spare no effort to combat this dreadful nuisance.

The SPEAKER pro tempore (Mr. SHUSTER). Under a previous order of the House, the gentleman from New York (Mr. ENGEL) is recognized for 5 minutes.

(Mr. ENGEL addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

JUMPSTARTING THE ECONOMY

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 3, 2001, the gentleman from Pennsylvania (Mr. TOOMEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. TOOMEY. Mr. Speaker, today I would like to engage in a discussion about the economic situation we find ourselves in, the state of our economy and what it is that we are going to do about it, what we have done about it in the House, what needs to be done by the other body.

I would like to begin by just summarizing, reflecting briefly on something I hope we all understand, I hope we all appreciate, and that is the very difficult situation that we find ourselves in today. The fact is our economy had been in a slowdown mode. We had been slowing down the rate of growth of our economic output for over a year prior to September 11, 2001, and certainly since September 11 the downturn has accelerated. It has gotten to the point now where we know by various experts, government and private sector economists, that we no longer have economic growth that we can talk about. Today we are experiencing economic contraction.

The consensus is almost a half, four-tenths of a percent, as way of actual economic contraction in the third quarter of this year. There is very little reason to believe that the fourth quarter is going to turn around and show growth. Many believe that we started the contraction back in March. In any case, in all likelihood we are in a recession right now, and we are going to be in a recession for some time going forward.

Now, of course, one of the very most unfortunate, tragic things about a recession is the job losses that always result. Unemployment now is at a 5-year high, about 5.4 percent. Our Nation has lost literally hundreds of thousands of jobs since September 11 alone, when this downturn accelerated. Consumer confidence fell for the fifth straight month. It is now at its lowest level since 1991.

The bottom line is, the translation of all of that is people are out of work. People who want to be working and productive and supporting their families are losing their jobs and wondering how they will get back to work. Layoffs are impacting just about everywhere in our country and, as best as I can gather, certainly hitting my district. Good solid companies that have provided great jobs for years have had to lay off workers, and I know they do that reluctantly. And I hope those openings will come back, those jobs will come back. But for now, folks have been laid off at Reliance, at GTE, at Lanco, at Pabst, Agere, all across my district. Good companies. Jobs have been lost. Nationally there are all kinds of job losses, Gateway, IBM, Boeing announced huge losses of jobs. Solid companies laying off thousands of workers, hundreds of thousands of workers all across the country.

So the question is what are we doing about this? What are we doing about this in the House? What have we already done about it in the House? What are our colleagues in the other body going to do about it, if anything?

I think we have got a responsibility to create an environment that maximizes the opportunity for our constituents to get their economies to pick up steam, for companies to begin to hire back the people that they have laid off.

I think most of my colleagues share that view that that is our responsibility. I hope it is one of the things that divides us, one of the points on which we disagree, unfortunately, is how do you go about that. How do you best encourage that economic growth? And to simply things a bit, but I do not think it is unfair. I think it is a reasonable simplification of the debate that has been carried on in this town, there are two schools of thought, maybe two major philosophies about how we ought to go about getting this economy moving again and getting people back to work.

One is the school that says the way you do this is government spending, big government spending program, new program on all kinds of things helps to get the economy going again. Some would describe that as priming the pump. There are lots of other expressions, but some think that is the way we ought to go. That has been proposed. Especially it had been advocated by the leadership of the other Chamber as the main thrust of how we ought to go forward there.

There are others who believe that there is an alternative that is a better, more effective, more constructive way to get the economy moving again, and that is major immediate tax relief, and that that would be much more effective both in the near term and in the long term than even more government spending.

So let us take a look at these alternatives. Let us discuss this a little bit. On the side of those who favor more government spending, it seems that that is the traditional approach taken by those who hold the Keynesian economic view, the demand-side model for how an economy works. And one of the ways to look at the premise behind that philosophy is that, in a way, it holds the view that the slowdown, an economic slowdown, is generally caused when a demand for goods and services is just too low; there is just not enough demand. That is what it is called the demand-side model something. But this is not an idea. And if the demand is too low, then the way to solve the problem is to increase the demand. And the easiest way to increase demand is to flood the economy with money, so that people can go out and spend it. That of course why we hear people talking about getting money out in the people’s pockets as a way to get the economy going again.

Of course, for many who subscribe to this theory, they would, rather than have individuals have more money in their pockets to spend, they would rather just have the government do the spending. Because the government is part of the demand; government expenditure contributes to the total demand in the economy. So a lot of folks would say, just go right to a big government spending program, and that will get the economy going again.

Now, it is interesting to note that this, of course, is a conventional theory. It is the theory that was used to justify and rationalize some other objectives that some people might have. For instance, some people would like to redistribute income, to a very large degree, in our society. They like to take money from some people and give it to others, and they like to be in control of that process. Well, you can justify that a little bit better if you argue that this is all good for the economy too. And so often this becomes a convenient theory for those who really have ulterior motives.

But without getting into motives, because I do not want to dwell on that, I want to look at the question of whether this is really the best thing for the economy. Is a wave of government spending going to increase the demand? Is that going to solve our problem? Well, I suspect not, and I suspect not for several reasons, the most simple of which is that this model, this way of viewing the economy, just has not held up very well. The bottom line is I think that there has never been a strong correlation. I do not think anyone has been able to prove a correlation, much less a causation, between increases in government spending and economic growth and prosperity. The correlation does not exist. So that ought to give us some real pause.

Now, there are specific periods in times in history where we can look at this and examine what has happened and what has not happened. One case that comes to mind is the whole stagnation of the 1970s. Now, under the Keynesian model, high inflation and high unemployment are supposed to be impossible to occur at the same time. You could have one or the other, but you could not have both. And the reason is because of the idea that inflation is a manifestation of excess demand. If there is too much demand for products
and goods and services, then everybody must be working to provide those products and services so unemployment would be very low. Of course, we know in the 1970s that was not true. Unemployment was quite high.

Now, certainly, if you have high unemployment, that supposedly is a manifestation of inadequate demand. And if there is inadequate demand, then there is nobody out there bidding up prices for things, or certainly not a sufficient amount so we would experience very low inflation. If we have high unemployment, we would have to have low inflation. That was not true. As I said, we had both. I think the real reason we had both is we had a weak dollar, which gave us inflation, and we had way excessive taxes, which caused an economic slowdown and huge unemployment.

In any case, whatever you think the cause was, the Keynesian model cannot explain what we know happened as a matter of fact in the 1970s. And there are other periods of time when we have seen huge government spending increases that have not resulted in economic growth. The chart that I have here to my left just touches on a few periods.

I will cite the very first here. In the 1930s, government spending tripled, massive government spending beginning in the 1930s. But yet during that very same decade, gross domestic product grew in the 5 years; and by 1940, 10 years later, unemployment had doubled. Obviously, government spending did not solve the problem in the 1930s. Probably because a lack of government spending was not the cause of the problem we had in the 1930s, but rather protectionist barriers to trade and an increase in taxes probably had a lot more to do with the problems that we had in the 1930s.

It is interesting to take a look at what has happened in recent years. From 1992 to 2001, government spending has grown by 41 percent, and at the end of that period we have entered into a recession here. So, clearly, there is not a strong correlation between increases in government spending and an economic slowdown. But when we think about it, it makes sense. If government spending were all it took to get out of a recession, we would never have one. We would just ratchet up spending a little bit and sail along on our merry way.

As this evidence points out, we certainly would not be facing a slowdown now, because in recent years we have had a massive increase in government spending. As soon as the surpluses arrived, we lost the fiscal discipline that got us to that point in the first place, spending took off; and yet here we find ourselves in a recession.

There is another great example that I want to touch on, and that is I recognize some of my colleagues who have to come to join me in this discussion, but the Japanese economy is a fascinating example of how this whole Keynesian demand-side, government-spending approach has not worked.

Beginning in 1991, the Japanese proceeded with this approach to dealing with a recession. Fact is they were 10 years into a terrible recession despite enormous government spending. Arguably, they have had 10 different stimulus packages, largely based on public infrastructure spending, massive government spending, which has added up to trillions and trillions of yen, a quarter of a trillion U.S. dollars in terms of the percentage of their economy, and where are they today? They are mired in a serious recession that continues well into its 10th year.

So, clearly, excessive government spending, an increase in government spending, is not the solution. But I will pause at this point and recognize my esteemed colleague, the gentleman from North Carolina (Mr. JONES), for any comments he may want to share with us.

Mr. JONES of North Carolina. I want to first thank the gentleman from Pennsylvania (Mr. TOOMEY), as well as the gentleman from Wisconsin (Mr. RYAN), who has just joined us, for their leadership in this area of reducing spending and also reducing taxes. And that is what I want to take a couple of minutes to talk about.

As my colleagues know, we have had several conversations about the capital gains tax in the Third Congressional District of North Carolina, which is a great district to represent; and we have a lot of retirees that have moved into our district. We are more than happy to have them living in the third district. Recently, with the downturn of the economy and what has happened in the stock market, I have had many of those retirees say to me, Congressman, why can you all not, in this stimulus package, reduce the capital gains tax and give back what we have lost.

Now, I realize that that would not in the short-term be the answer, but I think, and I would like to have my colleagues’ comments, as to the benefit not only for our retirees but primarily those who have retired that are dependent on their investments that they made in their early years, went on to sell it for perhaps a dime in terms of any real gains. And if they sell that asset, what do we do here in Washington? We attribute the entire increase to a capital gain and we take up to 20 percent of that, despite the fact that the person has truly made no money.

That strikes me as egregiously unfair. But maybe our colleague, the gentleman from Wisconsin (Mr. RYAN), would like to share his thoughts on it.

Mr. RYAN of Wisconsin. Absolutely. When we take a look at the family farmer, who purchased an asset, or maybe inherited the family farm in their early years, went on to sell it later on, they are going to face a capital gains tax in excess of 20 percent, essentially nearing a 25 percent, because they are taxed on that inflated gain on that asset.

As we take a look at what we can do to get this economy going again, because a lot of people have lost their jobs and a lot more are losing their jobs, the jobless rate is the highest rate of growth it has been since 1981, 1982, we know we need to get people back to work. And when we sit here in Congress trying to figure out how we can grow the economy, we look at what works and what does not work.

I notice my colleague from Pennsylvania was talking about what did the second largest economy in the world do; what have they been trying to do; what have we tried to do in our Nation’s history. Look at Japan, and like the gentleman from Pennsylvania said, 10 different stimulus packages of federal infrastructure spending and rebate checks, and job creation, recessions. They have a debt-to-GDP ratio of 130 percent. They have spent themselves deeply into debt. Their long-term interest rates are about 1.2 percent, their...
Mr. TOOMEY. Reclaiming my time for just a moment, the gentleman is pointing to and getting exactly right to the crux of the problem here. What we are talking about is the difference between massive government spending and private sector investment.

I have had colleagues and I have constituents say, well, what difference does it really make, as long as something body is spending? If it is the government or the private sector, a dollar is a dollar, and the dollar does not really know who is spending it. Right? There is a huge difference for a lot of reasons, and I just want to touch on one.

If we stop and think about it, we all know what drives government spending is politics. What drives government spending is the political system we have, and whose political bed gets feathered by some spending is a big part of what does it. But there is no market force driving political spending or government spending. There is no competition within government over this, whether it is the Department of Housing and Urban Development or any other Department. It does not have a competing Department down the road that it has to outperform. So, basically, the money just gets spent as politicians see fit.

Whereas, in the market, it is a totally different mechanism. Consumers do not buy anything unless they think it is something worthwhile, something of value, something they want to have. Investors do not invest in anything unless they think it is a process or a business that is providing goods or services that people want. So we have a private sector mechanism that ensures that money goes to where it is needed and where it is wanted. And we have a public sector, a government system, that goes to where politicians want. And that is a big part of the reason why one is much more effective than the other. I will yield back to my colleague from Wisconsin. I hope sincerely that the American people understand that this is their government and they need to speak through their elected officials in Congress and in the Senate to let people know that we need to return the money to the people, whether it be through capital gains tax, other tax reductions. But the whole key is what has been said. This government is growing too fast, it is too large, and we need to do a better job of reducing the size of government so Americans can keep more of their money.

I thank the gentleman for taking the leadership on this Special Order. I will continue to work with the gentleman and my colleagues to do our best to make sure that we reduce the size of government and we reduce taxes on the American people.

Mr. TOOMEY. Reclaiming my time, Mr. Speaker, I hope that we will be able to move on to the discussion that the gentleman from Wisconsin (Mr. RYAN) introduced, the idea, which is the historical fact, that when taxes are excessively high and they are lowered, there is a rise in economic growth and new jobs. There is a reason why. I would like to discuss why that works and why it has historically worked. But before I do that, I yield to the gentleman from Michigan (Mr. HOEKSTRA).
pass the accelerated depreciation, get corporations buying again, it will enable these corporations to put these workers back to work.

The specific provision that we are talking about here is modeled after a provision that was put in place in the early 1980s. The impact in the 1980s was when we provided this accelerated depreciation, it spurred corporate spending and was really one of the things that enabled us to have the prosperity during those years. And as we all know, during the Reagan years the level of government revenues accelerated very, very quickly. It is good for all of us when we cut tax rates. Most importantly, it is good for American families because it puts workers back to work.

Mr. TOOMEY. Mr. Speaker, I thank the gentleman from Michigan (Mr. Hoekstra) for that observation on this particular provision in the bill which the House has passed, and the House has acted to try to lower the tax burden and get this economy moving again. It is our colleagues in the other body who refuse to do a thing about this, which I think is a disgrace given the job that we are attempting to do.

The gentleman’s point is right: when a business has the opportunity through an incentive in the Tax Code to have greater depreciation or even expensing of a capital item, it benefits the worker and is able to increase their productivity and hold on to their job because that business remains competitive. The other folks that it helps are the consumers. Who do people think pay taxes, corporate taxes? Corporations pass those costs on to the consumer through the form of their prices.

When we lower that burden, we lower the cost of doing business for that company. We enable them to hire more workers and lower their prices and benefit the consumers and help accelerate transactions.

This gets into another theme, but at this point I yield to the gentleman from Arizona (Mr. Flake). I thank the gentleman for coming here, and salute the gentleman for all of the great work he has been doing to help lower the tax break for American people.

Mr. Flake. Mr. Speaker, there are a few comments I would like to make. When I talk to my constituents in Arizona, when I say to workers who have more months of unemployment or health care, they are clamoring to get their jobs back. The best way to do that is to recognize that we do not have such a problem with spending, as my colleague from Wisconsin pointed out very effectively. If the problem was spending, we would not have a problem. Government has grown over the past 6 or 7 years at the rate of, I think, an average of 6 percent a year. When we increase the baseline every year, that amounts to a huge amount of spending. That is not the problem.

The problem is investment for the most part. We penalize investment, and we should not do so. What we need to do is lower the tax burden. The President has said a number of times, and the administration has indicated through a number of people, that the best thing to do is to cut marginal rates. In the President’s tax package, that is what he does. The problem is that a lot of those cuts do not take effect for a number of years, particularly the rate cuts at the top end.

Mr. Ryans. Mr. Speaker, the gentleman’s points are very well taken. The gentleman from North Carolina made the argument that lowering the capital gains burden helps low-income and moderate-income people. It is a job-creation engine. It has nothing to do with class warfare.

As we move on in this discussion, I want to just touch on an issue that is raised sometimes. I think sometimes it is not obvious to see the connection between lowering taxes and economic growth. Why does that happen? How does it really generate economic growth? One of the ways that I think is useful to think about this is the fact that we have a lot of transactions that could be occurring in our economy if we had the incentives they are clamoring for. I have a home being sold, one more car being built, and a few more services being provided. These are transactions that are not happening because buyer and seller cannot agree on a price. There are not enough buyers who can afford the goods or services that the seller needs, or there are not enough sellers who can lower their price to the point that the consumer can afford. So there is this inability to get the transactions done.

What is one of the biggest costs to every producer, every potential seller of goods and services? It is their tax burden.

The problem is that a lot of those cuts do not take effect for a number of years, particularly the rate cuts at the top end. If the problem was spending, we would not have a problem. Government has grown over the past 6 or 7 years at the rate of, I think, an average of 6 percent a year. When we increase the baseline every year, that amounts to a huge amount of spending. That is not the problem.

The problem is investment for the most part. We penalize investment, and
barrier between buyers and sellers, between consumers and producers. The barrier is the cost imposed by government. It is not only taxes. It is regulation, it is tariffs, it is litigation that is encouraged or tolerated by the government, but taxes are the biggest part of it. This is not just an anecdotal or an empirical evidence that when we lower taxes, we see economic growth. It is because when we lower taxes, we allow more economic transactions and economic activity to take place. That is why every time we look at our history, as the gentleman from Wisconsin pointed out, that we have had a significant tax reduction, what have we seen without fail? Prosperity, economic growth, people getting back to work, people getting a raise, people having more disposable income. It helps all Americans.

I have on this chart a couple of examples from our history. We have really only had a few major, sweeping, across-the-board tax relief bills enacted in our Nation's history in the 20th century. We have really had three prior to what we did earlier this year. The 1920s was the first. That is not on this board, but the 1920 tax cuts initiated by Treasury Secretary Mellon ushered in an era of unbelievable prosperity in the twenties. That era started to wane when taxes were raised and a trade war began. But let us look at some other tax cuts. In the 1960s, President Kennedy had the perception that he realized that if you lower taxes, you generate more economic output. Sure enough in the 1960s, gross domestic product grew by 50 percent. Staggering growth. The 1980s was the other great tax relief act of the 20th century. President Reagan pushed through a tax reduction. What was the result? Nothing less than the longest peacetime expansion in our history. And, as the gentleman from Michigan pointed out as we all know, a tremendous increase in revenue to the Federal Government.

There were deficits in the eighties, no question about it. It was not because we cut taxes. Cutting taxes caused revenue to double. It was because spending was out of control. Spending tripled. That was the problem that we had in the 1980s. But further to that point or any other point he chooses to bring up, I would like to recognize the gentleman from Arizona (Mr. SHADEGG), the chairman of the Republican Study Committee, the distinguished member of the Committee on Commerce and the Committee on Financial Services.

Mr. SHADEGG. I thank the gentleman for yielding time.

Let me first compliment the gentleman and his colleagues for this important hour discussing these issues. I want to touch on a point the gentleman just raised. It seems that the debate right now is had our colleagues on the other side of the aisle saying that any tax cut is being done just to benefit the so-called rich. But I would like to put the lie to that by history and talk about it in terms that the average American can understand. I would just ask the gentleman a question. Was it not President Kennedy, a Democrat President, who cut taxes in 1960? And is he not the one who said in his famous phrase, a rising tide lifts all boats? And then there is the fact that if you cut Federal Government taxes when they become excessive that you stimulate the economy and the reference to a rising tide lifts all boats was that it did not just help some, it helped everybody. It is not just going to help the rich or those who are currently employed, it is going to help everybody, at every sector of our economy. And that is our goal. And specifically to help those who are unemployed.

I have close friends in Arizona, a close friend who has been unemployed now for quite some time. He does not want unemployment benefits. He wants his job back. And stimulating the economy, that is why I think it is so important. But is my history correct? Was it not President Kennedy that made those points?

Mr. TOOMEY. That is exactly right. Reclaiming my time for just a moment. When the President Kennedy at the time, made that observation, he was correct. He initiated a round of tax cuts that generated this prosperity. It is interesting that you pointed out, quite rightly, that lowering taxes really happens where taxes are excessively high. If we had extremely low taxes right now and an appropriate level of government spending, then I do not think we would be advocating for even further tax reductions. But right now we are at a record high. The Federal Government has not consumed as large a share of our total economic output as it does today since 1944.

Mr. SHADEGG. That was a war year, wasn't it?

Mr. TOOMEY. In 1944 there was a good reason. At this point we are not at that level where the expenditures justify that, that level, and certainly the taxes cannot be justified at this level. You are exactly right. I would make one other observation before yielding back to the gentleman from Arizona about the Kennedy tax cut which is the fact that the Kennedy tax cut was much larger than the tax relief that we passed this summer. The Bush tax cut plan which was originally $1.6 trillion, we ended up at about $1.3 trillion, as you know, over 10 years which we should not even be talking about that number, we never talk about spending over 10 years but we sometimes talk about tax cuts over 10 years. The fact is as a percentage of the economy, the Kennedy tax cut was much bigger.

Mr. SHADEGG. It was almost half again as big or even more, I believe.

Mr. TOOMEY. The Kennedy tax cut was correct. Mr. SHADEGG. It seems to me that this is an important concept for our colleagues and for the people across America to understand. The bottom line is that a stimulus package is not really a stimulus package if it just extends unemployment benefits. If that is all it does, it is not going to boost our economy. It may help people temporarily while they are out of a job, and we do not need to do that, but if we do not go beyond that, if we do not stimulate the economy by reducing taxes, those people are not going to get their jobs back. At the end of the day, the bottom line is that the American people want to go back to work, and that is why it is called a stimulus package.

Mr. TOOMEY. If I could reclaim my time for a moment on that point, as the gentleman from Arizona and my other colleagues know very well, the bill that we passed in the House contained a measure to expand and extend unemployment benefits and even health care benefits through the States. It was $12 billion. This is probably very appropriate. It is probably an appropriate level of government to do; we ought to recognize it does not have anything to do with economic stimulus. That is a different thing. As the gentleman from Arizona pointed out quite rightly and others have, too, the people who have those jobs who I talk to, that I know of, they do not want to know how long can I stay out of work, they want to know how quickly can I get back to work. That is why while it is appropriate to make sure that there is an unemployment system that is going to be there to help people get a transition to regain their job, the most important thing is that they get that job back quickly.

Mr. SHADEGG. Just to comment a little bit further, President Bush's economic stimulus proposal would, according to a study by the Heritage Foundation, create 211,000 new jobs next year. It seems to me that is what a stimulus package ought to be about. The key element of the Bush Administration's personal tax rate reductions, the tax package we passed earlier in the year. Let us move those dates up. The average American understands that that bill passed but that the rate reductions do not occur for years down the line. And a reduction in the capital gains tax. That is a reduction that would affect every American. It does not favor business; it favors every single American because we are all in an investing economy right now. It seems to me that the Senate and the House and our negotiators begin to go at this issue, it is not just critical that we pass a stimulus bill, it is critical that we pass a stimulus bill that will actually stimulate the economy and create the job growth that will put America back to work, which is where people want to go.

I compliment the gentleman and appreciate his efforts.
have passed a bill that does those two things. It lowers the capital gains rate. Okay, not as much as I would like to see, but it is a movement in the right direction, and it accelerates the reduction in personal income tax rates that we already passed last summer. It makes sure that it's not going to go into effect immediately. Okay, I would like to see more of it go into effect immediately, but still this is progress. This can only help the economy. But yet our colleagues in the other Chamber continue to do nothing, even when they are being asked to act.

Mr. SHADEGG. They not only do nothing, but what they are demanding is pieces of this bill, large portions of it, their latest demand is that half of it not go to stimulus at all and the other half go to stuff that will not actually stimulate the economy. We do not need a stimulus bill that does not stimulate the economy.

Mr. TOOMEY. Even at that, they refuse to put even a proposal such as that on the floor for debate. If I can, I would be happy to yield to the gentleman from Michigan for his comments on this.

Mr. HOEKSTRA. I thank my colleague for yielding. Just building off the points, we might ought to start taking a look at this a little bit differently. Maybe we ought to listen to what the other body is saying. In the House bill, we had a pretty balanced approach. We put in the extended unemployment benefits. We put in the protections to ensure that more people would be able to keep their health care. That, I think, is the right thing to do, to provide the protection for these people in our districts who have been fortunate and have lost their jobs. But our belief is that by doing the proper tax provisions and the proper incentives, we will stimulate the economy. But we ought to maybe just say, if you want to do some more of that spending or put some of these government programs in place, put them in place, but give us the stimulus package, because we will recognize that if the stimulus package kicks in, the 13 or the 26 weeks of unemployment benefits will not be needed. And we know that if we got to next summer and they were needed, we would probably vote them in and through, anyway. Let us not be worried about an artificial number because the other thing that we saw in the economy in the nineties is that if the economy grows, what happened during much of the nineties, the economy grew so well, the biggest beneficiary was the Federal Government. It is the best thing for the American families. It is the best thing for communities. Some of our communities are really hurting. If they have got some of those large employers losing 20 to 25 percent of their employees, the whole community feels the pain. Our States are feeling the pain at the State level because of decreased revenues. We are not going to bail our way out of this by more government spending. But if the other body believes that that is the crutch that they want to build it off, we ought to maybe just say, fine, but what we want is we want the tax portions that will stimulate the economy because when we stimulate the economy, people at work, we will lead globally, and we will be back to the position where we were which is paying down public debt and reducing taxes so that we can sustain this growth into the future.

Mr. TOOMEY. I thank the gentleman. I think it makes perfect sense. We have already demonstrated in the House that we fully recognize, our society wants to be there for people who lose their job and who are making every effort to find another one. Unemployment benefits occasionally need to be extended. If that has to happen, that is fine. I do not think any of us object to that. I think we all voted for the bill that would do that. But how much better if you need to use them? Sure they can be there.

Mr. HOEKSTRA. But failure to act by the other body means that we do not get a stimulus package plus that our unemployed do not get the extension in unemployment benefits and they do not get the access to health care. So their inaction is hurting those that are out of work, short-term and long-term.

Mr. TOOMEY. I think the inaction can guarantee a longer period of time when people are out of work while they have not done anything to help even those people. It is absolutely unacceptable.

I would be happy to yield to the gentleman from Arizona.

Mr. FLAKE. I thank the gentleman for yielding. I just want to echo some of the comments that have been made. My colleague from Arizona pointed out that the most important thing about the stimulus package is that it can provide some stimulus. I am reminded of my growing-up years. I grew up on a ranch in Arizona; we often used when we had particularly ornery critters if we could not get them through the chute, we would use a cattle prod. It worked quite well, it stimulated them quite nicely and they ran up ahead. Sometimes by the end of the day the batteries would wear a little thin and we would give them a prod and get America back to work. It is the best thing for individual American families. It is the best thing for communities. Some of our communities are really hurting. If they have got some of those large employers losing 20 to 25 percent of their employees, the whole community feels the pain. Our States are feeling the pain at the State level because of decreased revenues. We are not going to bail our way out of this by more government spending. But if the other body believes that that is the crutch that they want to build it off, we ought to maybe just say, fine, but what we want is we want the tax portions that will stimulate the economy because when we stimulate the economy, people at work, we will lead globally, and we will be back to the position where we were which is paying down public debt and reducing taxes so that we can sustain this growth into the future.

Mr. SHADEGG. It is not as though there is not any spending going on.

Mr. TOOMEY. No, it has been a staggering massive increase. And I think most of us feel like these are areas that it was appropriate. But has it gotten the economy out of this recession? No.
Mr. TOOMEY. I thank the gentleman from Michigan very much for participating in the discussion tonight and everything he added to that.

Mr. SHADEEG. If I could just briefly as we summarize here kind of reiterate an important debate, because too often things get politicized and we miss the issue, some people have pointed out that we have already agreed in the House bill there needs to be an extension of unemployment benefits and health care benefits. We need to take care of those people who have already lost their jobs.

But the other debate that goes on is a rejection of any kind of tax relief. I think it is important for the listening audience to remember that under both Democrat and Republican presidents, President Kennedy, a Democrat in the sixties, President Reagan, a Republican in the eighties, when we cut taxes, when they had become excessive and we cut taxes, we stimulated the economy and, and, Mr. Speaker, President Kennedy, a Democrat, said, a rising tide lifts all boats. It put all Americans back to work. It stimulated the economy for all Americans.

Every time I hear this phrase that tax cuts work just for the rich or tax cuts for the rich, it enrages me, because the reality is the way to stimulate this economy is to give every American some tax relief. That is what we were proposing to do, that is what will stimulate the economy and it ought to be a part of the package and will benefit every single American, not just one sector, as President Kennedy said.

Mr. TOOMEY. Well, the gentleman is exactly right. I would just conclude with one other thought. You know, many of the fundamentals for our economy are actually quite hopeful. There is reason to believe that we could come out of this and we could have a return to some real prosperity relatively soon if you look at some of those fundamentals.

Inflation is extremely low, our dollar is strong, and it is very clear that all around the world people have enormous confidence in the dollar. Our productivity levels are at an all time high. Never before have American workers been so enormously productive. Our national debt as a percentage of our GDP has declined dramatically, from 50 percent of our economic output around 1995 down to about a third today. It has also been—I mean, the richest people in the country.

So these fundamentals are strong. If we lower this tax burden now, resist the urge for wasteful, excessive and inappropriate spending, and lower the tax burden that is acting as a barrier between people who could get this economy moving again, we will do that exactly, and the folks who are out of work today can get back to work.

We have done our part in the House. We have taken an important and enormous step forward. I am urging my colleagues in the Senate to do likewise. It is long past time. It has been over 11 weeks since the terrible attack that accelerated the decline in our economy. It is overdue to have the kind of economic stimulus that we all need.

ANNOUNCEMENT BY THE SPEAKER
PRO TEMPORE

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 3, 2001, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes as the designee of the minority leader.

Mr. BROWN of Ohio. Mr. Speaker, I will be joined today by several Members from my state. I am also joined by my good friend the gentleman from New Jersey (Mr. PASCRELL), who in his several years in Congress has been a leader on an issue that is dear to the hearts of all Americans. Mr. Speaker, they so often commit class warfare in this society; when they are talking about tax cuts for the rich, they make cuts for the poor and helping their wealthiest friends. Whether they are the drug companies, or whether they are some of the wealthiest people like Rupert Murdoch and others that they seem to care so much about. So in other words, Mr. Speaker, they so often commit class warfare every day in this body. All we do is point out what they have done, and they just seem to bristle from it.

Mr. Speaker, on the evening of September 11, several gas stations in my state of Michigan experienced record sales. The natural gas price in the United States is only about a third of its level a year ago. And when we talk about this, talk about tax cuts for the rich, my Republican friends love to say we are engaging in class warfare. But the fact is that every day in this chamber as Republicans try to cut spending on unemployment compensation, on health care, on Medicare cuts, on cuts that people in this country that need help would benefit from, that they make those cuts, at the same time they cut taxes on the rich, they commit class warfare in this society; when they are hurting working people and hurting the poor and helping their wealthiest contributors and wealthiest friends, whether they are the drug companies, or whether they are some of the wealthiest people like Rupert Murdoch and others that they seem to care so much about. So in other words, Mr. Speaker, they so often commit class warfare every day in this body. All we do is point out what they have done, and they just seem to bristle from it.
district and around Northeast Ohio and other places around this country raised their prices to $1, $5, $6 a gallon. Many of us in this body simply called that as it was, war profiteering, that people would take advantage of the events of September 11 to put a little more money to their bottom line.

Unfortunately, over the last 8 or 9 weeks, something not much different has occurred on Capitol Hill. Many of us have called it political profiteering. First, we passed a bailout bill that gave the airlines $15 billion in cash and loan guarantees. No sacrifices were required of airline executives, few restrictions were placed on companies that received that money; nothing was provided for airline security; no assistance was given to the 140,000 industry workers who were laid off as a result of the September 11 attacks.

Then, in the name of stimulating the economy, this chamber passed new tax cuts and accelerated others for the richest; the largest corporations in this country. IBM will get a check from the Federal Government under the Republican plan for $1.4 billion. Ford will get a check from the Federal Government for $1 billion. GM will get a $2.6 billion bailout. United and American Airlines, as if they did not do all right with the airline bailout bill, will get several hundred million dollars more from the Republican tax cut for the rich, while they are ignoring union workers.

But now the political profiteering has reached new heights. In the past few months, Mr. Speaker, the Bush Administration’s Trade Representative, Bob Zoellick, sought to link the trade negotiation authority known as fast track to our Nation’s anti-terrorism efforts. He went further by claiming that people like the gentleman from New Jersey (Mr. PASCRELL) and me and the gentleman from California (Ms. SOUTHWICK) and many of the others that will be joining us tonight, that because we oppose fast track, we are indifferent to terrorism, and maybe a little bit less than patriotic.

According to Mr. Zoellick, free trade is the way to combat terrorism around the world, and, if you do not support free trade, if you do not want to do it Mr. Bush’s way and Mr. Zoellick’s way, if you do not support free trade and do it their way, then you do not really support America. Earlier today, Republican leadership took a similar route until support of fast track. They stated that trade is directly related to our battle against the enemies of the Unite States and the values we hold dear; that fast track is essential to our war effort.

In Qatar are, where the World Trade Organization ministerial was recently held, a place chosen by the leaders, the trade ministers, the administration, the people who support free trade, in Qatar, the people do not have freedom of speech, they do not have freedom of assembly, they do not have freedom to publicly worship anything in any other religion but Islam, they do not have freedom of association, they do not have free elections. Yet the World Trade Organization ignored these abuses of personal freedom in selecting Qatar as the ministerial. Qatar’s human rights record is not in line with American values by any measurement, but it is familiar territory for many of America’s corporate trading partners.

The call for an absolute trade negotiation authority in the name of patriotism must be recognized for what it is. Mr. Zoellick has to have trade negotiating authority, trade promotion authority to combat terrorism and to fight this war, recognize it is pure and simple political profiteering.

We have all watched with pride the indomitable spirit of so many Americans in response to the events of September 11. The right response to defend the jobs of these Americans and especially the values of these Americans is to demand a vote on trade promotion authority.

Mr. Speaker, I yield to the gentleman from New Jersey (Mr. PASCRELL).

Mr. PASCRELL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Zoellick has introduced another issue in the last 5 years that I have debated on this floor, and we have had some hot issues, that I feel more viscerally about, and I think the gentleman from Ohio would agree with me, that has been here longer than I have, than the subject of trade. We who oppose fast track do not oppose trade. It is a given. And simply put, what we have asked for on every issue since 1997 when there obviously were not enough votes to bring it to this floor at 3 o’clock in the morning one day in the fall, what we simply asked is that every trade agreement be a reciprocal trade agreement. What is good for one side is good for the other. But what does that mean?

To my friends who want to give away the store, I recommend that they read the Constitution of the United States. Many times, people stand on the floor of this great House and talk about what the Constitution says. We talk and refer to the Constitution on guns, we talk about the Constitution in terms of who has war powers. Well, the folks back in the eighth district in New Jersey sent me to uphold this Constitution, not just some parts of it. Article I, section 8 of the Constitution says that the Congress shall have power to lay and collect taxes and duties imposed and excise to pay the debts and provide for the common defense and general welfare, etcetera; to regulate commerce with foreign nations and among the several States, etcetera.

I did not come here, I say to the gentleman from Ohio, to surrender my responsibilities and obligations under the Constitution, because if it is trade today, what will it be tomorrow? We need to protect that responsibility as defined in article I, section 8. There is no consistent administration
policy on trade besides lower tariffs and cutting quotas. There is no structure; there is no plan. It deals with Vietnam, it deals with the Andean countries, the WTO, Pakistan, our newly found friends, all of which do not take into account the wishes of the American workers. Cost-benefit analyses just are not there.

Congress cannot allow this administration to craft trade laws without our input under the Constitution. The only reason for fast track is that they want to add things they know that the Congress and the American people do not want. We are patriotic Americans. We are loyal to the President. We are loyal to the commander in chief. To question the loyalty of Members of this Congress for being opposed to fast track, to me is shameless.

We are the people’s House. We are directly elected by the people. We hear from those out of work, and we must respond to their needs. Americans want us to. We must stand up for our American workers. This job belongs to us. The only way our leverage will be felt is to oppose fast track.

Despite overwhelming evidence, the current trade policies have resulted in mass job losses. No one on any side of the argument denies that. Job losses. Just take a look at what NAFTA did to jobs in this country. In my State of New Jersey, we have lost 84,740 jobs. That is according to the Department of Labor. This is not anything that was made up. That is not an illusion. Under two free trade administrations we have lost that many jobs. Imports have risen between 1994 and 2000 by 80.5 percent, and exports went up 60 percent. We have a huge trade deficit.

An example of the impact our Nation sees under these disastrous trade laws as we surrender our rights one after the other, just look at the VF Corporation, the well-known jeans producer. They are cutting 13,000 jobs worldwide. They are closing plants in the United States and, according to their own release, to cut costs, they will increase offshore manufacturing from 75 to 85 percent. They are certainly glad we do not require labor standards for our trading partners. In fact, as the gentleman from Ohio pointed out, it is quite interesting to see what our trade ambassador had to say about that.

Appointed as ambassador, who appeared in the WTO meeting at Doha, says that labor rights should not make it into the negotiations on trade. Have we lost our way? Are we not a country of free individuals? Labor and environment are not just social issues. They are issues that bind humanity. They are issues that we feel are no less important than any other.

Two weeks ago, 410 House Members voted to ask the United States Trade Representative to preserve the ability of the United States to enforce rigorously its trade laws and should ensure that United States exports are not subject to the abusive use of trade laws by other countries. Not even this important antidumping mandate was needed at the Doha conference.

I want to conclude at this point, Mr. Speaker. Recently Secretary Powell, who all of us in this Chamber have the highest regard for, heard me out and he stated some very powerful words I am about to quote. He said, “Fast track is going to be viewed internationally as a test of the President’s leadership at a time when there is all sorts of events going on. A better test is his ability to do what is right for working Americans.” The real test of leadership is to make bipartisan policy to help our unemployed brothers and sisters. Do not let this scare tactic fool anyone. The President can show leadership by working with the Congress, not taking them out of the equation, not usurping article I, section 8, as if we did not exist.

Mr. Speaker, I said the same thing on the floor last session when Bill Clinton was the President. This is a bipartisan approach. Let us take the leadership of our trading partners and make it into the negotiations on trade. It is not difficult to understand why LTW, where many people in my district work, and the rest of the American steel industry, is in trouble when we pass these kinds of trade policies, and the President has not moved fast enough on section 201 of the 1974 Trade Act. The President has refused to sign the Fast Track Act which has not passed 808, the Steel Revitalization Act, which is absolutely necessary to save this industry, and now these same free traders are pushing more of the same, as if our trade policy has worked. It has not worked. Our trade deficit is almost $370 billion. So the President’s answer and Trade Representative Zoellick’s answer is let us do more of it. That simply makes no sense.

Mr. Speaker, I yield to the gentleman from Michigan (Mr. STUPAK).

Mr. STUPAK. Mr. Speaker, I thank the gentleman for yielding, and I thank my colleagues for appearing here with me tonight. I remind the Members of the leadership of the gentleman from Ohio (Mr. BROWN) on this issue and the compassion of the gentleman for the working men and women throughout our district in Ohio, and the gentleman from New Jersey (Mr. PASCAREL) has always been an expert on these issues.

To just pick up a little bit on what the gentleman had said on these trade initiatives and the WTO rules on antidumping, basically what it says is Congress instructed the Trade Representative when you pass the Fast Track legislation not to give up on antidumping laws. We need them. We have other countries illegally dump their product in this country like they are doing right now with steel. It was very, very specific. But if we go to the text of the agreement that was in Doha this past week and go to paragraph 28, and I am quoting now, they are going to clarify and improve WTO antidumping and subsidy rules. An agreement not to use, and we are going against the same rule. The total disregard for Congress’s instructions on this issue, even after over 400 Members of Congress said do not give this up, do not give this up.

So we can see while they are saying, we need the authority to negotiate, give us your authority, Congress, because only you can approve it, but give up the authority under fast track, and we will do the best agreement possible and all you have to do is come back here, and say you cannot amend under fast track. We just give them instructions: over 400 Democrats and Republicans say do not give this up, and they gave it up.
I have a letter right here, November 27, to the Honorable Elaine Chow, Secretary of Labor. It was sent to her because we have been waiting since June 9 for a decision, June 9, almost 6 months. One hundred workers from the Bessemer Company in Alpena, Michigan are at their gate waiting for a decision. The State has cut back unemployment. In Michigan we are down to $300 a week now. That is what they have to live on. That is $1,200 a month to try to support their family. That is true unemployment, and we are running out.

Everyone agrees they lost their job because of the flood of imports in the lumber company, in the lumber industry; therefore, they should get trade adjustment. It was a no-brainer case, and here we are still waiting, still waiting for a decision on trade adjustment. We have this letter here. We will make some more phone calls tomorrow. Hopefully, we can move this along.

It was NAFTA, TAA. That was one of the big selling points. Do not worry if you should lose your job. We will take care of it. I think the gentleman from New Jersey (Mr. FASCHELL) was correct on Congress giving up its right underneath the Constitution to approve, amend any agreement before us. Under Fast Track we cannot. That is a good reason not to vote for it.

Let us talk a little bit about steel because I know that has been a big issue lately. I know the gentleman from Ohio (Mr. BROWN) and the gentleman from Ohio (Mr. STRICKLAND) and all of us have been working hard on the steel caucus to try to come to grips with the steel industry since the last 3 or 4 years has just been plagued with this flood of imports on the hot road end, on cold steel, on rod, on wire. You name it, they have been doing it.

As we sat there yesterday in a meeting with Secretary Evans and we give the Bush administration some credit. Secretary Evans and his assistants have come up and met with us often. They have investigated. The ITC, International Trade Commission, says they are dumping illegally in our country. We must do something and we will.

But if we take a look at it, and I said, I have been hearing this since 1998, I am sort of frustrated. You have 232, 232 trade orders, 131 relate to steel. Sixty percent of the trade orders issued by the U.S. Department of Commerce said stop. You are doing this illegally, 131 times; and we have no relief.

What about putting countervailing duties on imports coming in? We have 45 countervailing duties in this country; 28 are related to steel. So we are slapping duties on it. We have 131 trade violations, and we are still losing every 9 days a steel mill or an iron ore mine, like they just lost up in northern Michigan just before Thanksgiving, LTV. They are restructuring their situation. They are 25 percent owner in the mines in northern Michigan. There is only eight ore mines left in the United States; two are in my district. LTV is a 25 percent owner in the Empire mine. They are also a big customer of those iron ore pellets. You need iron ore to make steel.

The order was just before Thanksgiving 770 miners will lose their job by the end of the month; 120 salary workers are gone. That is 890 jobs in my little community of Palmer, Michigan, up in the Upper Peninsula of Michigan. We know they have trouble getting their TA benefits if Besser is any idea. You go back to them and I say we have 131 orders out there saying you cannot dump steel, but they are still doing it. We have 26 countervailing duties that they cannot do this. They are still doing it.

What is our relief? We are finally going to have a 201. I have testified before the ITC, and I know all of you have too, on that, and saying, look, we are shutting down these steel mills are shutting down and our hands are tied and we cannot do anything, is that fair? I say not. And I say bringing forth a proposal such as Fast Track Authority for this President to command the U.S. trade negotiating and congressional committee, is unconscionable, especially in these economic times. We are in a recession.

We are in a recession. And you can blame September 11. It was well before September 11. But just take a look at what happened. And I believe the state of mind we are in right now and the state of our economy is due to these trade laws, is due to the layoffs in the steel industry, in the mining industry, the lumber industry, the furniture industry. You name it.

I certainly want to join my colleagues here tonight and I look forward to hearing their comments. I will stay in case there are other comments that maybe we can go back and forth on some of these issues.

I appreciate the leadership of the gentleman from Ohio (Mr. BROWN). He has been a stalwart in helping out here. And between WTO and GATT and NAFTA and NTR or whatever you want to call them. The bottom line is the American people, our hard-working men and women in the districts we represent, are not protected with these countervailing tariffs, with these steel orders, with trade adjustment. When it comes right down to it there is nothing there for the American people. We should not give up our right as Members of Congress to modify and demand tough enforcement issues, especially since last week when we told us not to do it and they sold us out at Doha.

Mr. BROWN of Ohio. Mr. Speaker, I thank my friend from Michigan for his 9 years of leadership against bad trade issue and for fair trade and better working conditions and environmental safeguards for Americans and for people around the world.

One thing that the gentleman from Michigan (Mr. STUPAK) said that was particularly important, and I will then
yield to the gentleman from Massachusetts (Mr. LYNCH), we should think about this. When he said, we in this Congress on behalf of American people, 410 votes in support for said to our negotiators in Qatar said that we wanted to see those plants closed in our steel and dumping laws. And we demanded that on behalf of the American people. Those demands were totally ignored by the administration.

The administration now says, the gentleman from Michigan (Mr. STUPAK) said this, the administration said, give us Fast Track. You can count on us to protect American workers with Fast Track. You can count on us to be fair. You can count on us to protect the environment and workers and all that.

Well, the fact is we can count on them to do that when we saw already the kind of betrayal from our trade negotiators. Michigan (Mr. STUPAK) said, we Fast Track. You can count on us to protect American workers with Fast Track. You can count on us to be fair. You can count on us to protect the environment and workers and all that around the world.

Well, the fact is we can count on them to do that when we saw already the kind of betrayal from our trade negotiators. Michigan (Mr. STUPAK) said, we Fast Track. You can count on us to protect American workers with Fast Track. You can count on us to be fair. You can count on us to protect the environment and workers and all that around the world.

This is the same President that tried for 10 months tried to weaken arsenic laws, and tried to allow the mining and chemical companies to allow more arsenic in the drinking water; and we are going to trust them to protect the environment all over the world and in this country? I do not think so. And that is really the reason, as the gentleman from Michigan (Mr. STUPAK) said, that Fast Track is really a betrayal of our values.

Mr. Speaker, I yield to the gentleman from Massachusetts (Mr. LYNCH), who already in his couple of months in Congress, he came here in early October. I believe, late September, and he has already jumped in the trade fight because he knows that is important to the people of Massachusetts and the people of our country.

Mr. LYNCH. Mr. Speaker, I want to thank the members from Ohio (Mr. BONIOR) and the gentleman from Michigan (Mr. STUPAK) and the gentleman from New Jersey (Mr. PASCARELL) and all others, including the gentleman from Michigan (Mr. BONIOR), for the great work they have done.

I am new to this debate. I am new. I have watched the work done by all of the Members here, both in this debate and in previous debates over NAFTA. I commend all of you for living up to your constitutional obligation to represent the people of your districts.

As I said, I am new to this debate; but I am not new to this issue. In my own life prior to the privilege of my office being iron working for 18 years; and over that 18 years I worked at the Quincy shipyard just outside of Boston. And I saw that job go away with thousands of others from that shipyard because of foreign competition and the fact that the American shipyards were paying their workers well. And companies could go offshore to exploit low-wage labor.

I also worked at the General Motors plant out in Framingham, which is closed now and they are making those cars down in Mexico now.

I worked in Michigan in some of the auto industry plants there as well, and those plants have closed and many of them have been relocated in Mexico. I also worked in a couple of the steel mills in Indiana and in Chicago, the Inland Steel and the U.S. Steel plants which I now understand are being developed here; and at this rate I am afraid that at some point there will be my counterpart in Mexico City taking my congressional responsibility as well.

The point made by the gentleman from New Jersey (Mr. PASCARELL) needs to be emphasized. And that is that the United States Constitution says that Congress shall, not may, not might, it shall have the power to regulate commerce with foreign nations; and it shall have the power to make all necessary laws proper for carrying out those powers.

This fast track mechanism, and this is just a procedural rule, would oblige us to abdicate responsibilities on behalf of our constituents. Basically, what we would do would give up those rights and those responsibilities to the very people who sent us here. I need to join the gentleman from Massachusetts (Mr. LYNCH) and the gentleman from Michigan (Mr. STUPAK) and others who have said that I can say also that my constituents did not send me here to give away their rights and responsibilities, to walk away from a job just because it is complex. It is difficult. It is hard. We knew that that was the job we were taking when we ran for office.

This bill is counterintuitive. It flies in the face of our responsibility both under the Constitution and as a moral obligation to the people who we represent.

Another part of this fast track framework that is poorly designed is the vague obligations under the Constitution is given to us as Members, also many of the other responsibilities and procedures that are set up around the Congress guarantee an open and honest debate around trade matters. The Constitution requires that we publish a journal of the actions taken here in the Congress.

If you look at Fast Track, Fast Track allows these negotiations to be done in secret, if they are given to the U.S. Trade Representative.

These are secret negotiations and they are done in a back room, without the direction of the people being in those negotiations.

It just is an unseemly process that we initiate by supporting a Fast Track-type procedure, and we do not need to look far to see examples of the flaws of that process. We can look directly at NAFTA. We have evidence now to see how this Fast Track procedure plays out.

We see it in the fact that there are no enforceable labor standards in NAFTA nor in the bill before us to expand NAFTA to 34 other countries. There are no firm mandatory or enforceable labor standards in this bill. There are no firm and mandatory and enforceable environmental standards in this bill. Those have been left out.

There is language in here, very fluffy language, that raises the issue of labor standards, raises the issue of environmental standards, but does not allow us in negotiations on these trade matters to require other countries to respect their workers and to respect the environment in those countries.

We can look at what NAFTA has done for Maquiladora, the workers there. Although there was the great promise of the raising the buying power of the average Mexican worker, we still find in Maquiladora that the autoworkers in the Maquiladora are making an average of 67 cents an hour. We have had no U.S. workers in Massachusetts anymore. Those jobs are all gone over the border. The U.S. autoworkers today, those left in Michigan and other places around the country, should not be made to compete with workers making 60 cents an hour, living in substandard conditions, with no working conditions, with no right, no voice in their workplace. This bill is completely absent any enforceable standard.

The American worker should not be required to compete with 67-cents-an-hour workers or slave labor or child labor in these other countries. That is exactly what this bill allows. That is exactly what Fast Track and the ministerial directive that came out of Doha, that is just exactly what is allowed here.

The American public should not be faced with the risk of trucks coming over the Mexican border without the same requirement of safety requirements of the trucks that we have in this country that are registered in any of the 50 States, and we should not allow produce, food products, to come into this country that do not meet the regulatory standards that we have set up in this country.

We have seen examples of that. I know that in Michigan just recently, we had an incident where 200 people were affected by eating strawberries that had been contaminated with the hepatitis A virus and that were allowed into the country because they did not have to undergo the FDA process and the sanitation process that products here in the United States are required to go through. We should also realize that of the 4.4 million trucks a year that come in from Mexico into the United States, we have the ability right now to inspect 2 percent, about 88,000 trucks out of 4.4 million. We do not have the ability to check the licenses, the qualifications, the safety mechanisms on those trucks, and there is just a complete lack of accountability. That is the bottom line.
This Fast Track bill takes away the accountability. We are unable to oversee or guarantee that the American workers and the American public are being protected, and we need to do whatever we can to recapture the power and the accountability on behalf of the people.

I think the easiest way to do that would be to defeat this Fast Track proposal.

Mr. BROWN of Ohio. Mr. Speaker, the gentleman from Massachusetts (Mr. LYNCH) points out something very important about democratic values. At the beginning of this Special Order we talked about political profiteering that some people, the President, the White House and the Bush administration, have said that we need to have Fast Track to wage this war against terrorism. Yet as the gentleman from Michigan (Mr. BONIOR), who is a candidate for Governor of Michigan, has said, we need to have Fast Track to protect our constituents, to make sure that when we cast a vote, it is in the best interests of the people of southern Ohio or northern Ohio or the Ann Arbor area of Michigan. We cannot give up this authority. We ought not to. I believe it is a violation of our constitutional responsibilities and our oath of office to just relinquish this responsibility to an administration.

Sometimes I think we need to support this Fast Track authority. And we are going to make a decision, and it is my hope that as the American people observe what is happening, that they will let their voices be heard.

And how can they do that? Well, the old-fashioned way. They can call their representatives. They can send e-mails. They can send letters. They may arrive 2 or 3 weeks late, given the current circumstances. They can call their Representatives and their Senators and ask them to represent them in their States, in their districts, because unless the American people express themselves, I am afraid this will be pushed through this House and through this Congress, and that once again the American people will be placed at a great disadvantage.

I am the son of a steelworker. I grew up in a family of nine kids. My dad had a fifth-grade education, but he worked in a steel mill and he was able to support us, and he was able to put us all through school. There is not a single man or woman or family that is being supported by that steel mill, because it does not exist.

Even today as we met in our Steel Caucus, I heard the fact that if something is not done, over the next 12 months the American steel industry will be decimated, will cease to be a major industry in this country. Yet we are on the verge of being forced to take a position that will extend this, what I would call obscene trade policy that we currently have.

When are we going to stop and say what is best for the American worker, the American family? When are we going to do that? When are we going to have an administration that is willing to put Americans first when it comes to these kinds of issues?

We go to a union hall and it is very common in my district when I go to a union hall to have union members stand and pledge allegiance to the flag. We have other school children across this Nation to be loyal to our Nation and to express that loyalty by pledging allegiance to the flag.
floor vote, we have seen the kind of strong-arm lobbying from the Presi-
dent, from the President personally, from administration officials, Cabinet
members, up and down the administration, throughout the administration,
promises, all kinds of promises, everything they can think of to project closeness
of legislation, to jobs, to all kinds of things that some of these people promis-
se.

We have also seen strong-arm lobby-
ing from America’s largest corpora-
tions to Ohio. Reatail trade depar-
tment, people at National Airport used
to tell me they saw more corporate jets at
that airport than anytime during
the year, as corporate executives know
that these trade agreements mean they
can move more jobs overseas, make
more money as they hire low-wage
workers with no environmental laws,
with no food safety laws, with no kind
of worker safety laws.

Mr. STRICKLAND. I would just like
to point out that many of these cor-
porations are in fact multinational in
nature. They have no loyalty to this
country or to any set of democratic principles or anything else,
except the bottom line, and we allow
these multinational corporations to in-
fluence American domestic economic
policy. It is just absolutely wrong.

Mr. BROWN of Ohio. Reatail trade depar-
tment, one CEO of a major corporation
called a couple of years ago, “I wish I
could locate my corporate head-
quarters on an island that is part of no
country.” He does not mind being an
American; he comes to this insti-
tution for subsidies, for tax cuts per-
sonally or corporate tax cuts, but when
it comes time to employing American
workers or living under the sov-
ereignty of this Nation, he seems a lit-
tle bit less interested.

The gentleman from Michigan (Mr. DUNGEY) and I, a moment ago, and for
years, actually, but a moment ago were
talking about food safety. And food
safety is a particularly important
issue. We have legislation with the gen-
tleman from Michigan (Mr. DUNGEY) and some others because we are con-
cerned about country-of-origin label-
ing; we are concerned about inspec-
tions, as more and more fruits and
vegetables come into the United States.

Because of budget cuts, and because of increased imports, and because of poor trade laws, only seven- tenths of 1 percent of food coming into this coun-
try is inspected at the border, much
less than that inspected anywhere else.
That means one out of every 140 crates
of broccoli, one out of every 140 crates of
fruit, one out of every 140 boxes of
any kind of food gets inspected at
the border. It is a serious problem, and the
gentleman from Michigan will tell us
more in particular what all of this means with
Fast Track.

Mr. STUPAK. Well, with Fast Track,
if we take a look at the proposed legis-
lation, H.R. 3005, the legislation that is
going to be proposed, when we get to
environmental standards or inspection, it is all voluntary. And when we have
voluntary negotiating on objectives, on
the environment, on food safety, it usu-
ally means nothing will happen. If we
are talking about anything close to H.R.
3005, it is a step backwards. We do not
have an opportunity to enforce the
laws that we have because they are all
subject to negotiations. Under H.R.
3005, when it comes to inspections, that
is subject to negotiation. Under our
laws which prevent adulterated or bad
food that does not meet our standards
or uses pesticides not allowed in this
country, that is subject to negotiation.

It is voluntary under these proposals.
The gentleman from Ohio talked about
food coming into this country, that seven-tenths of 1 percent is ever
inspected. Well, when they do broccoli, they just take a crate and drop it on
the ground. If bugs come out, they im-
mediately check, and then we are sending the
truck on. For years, we have asked for so-
phisticated inspection of food coming
into this country. Let us not just drop
the crates. Let us do a quick chemical
test to see what pesticides are in it
that we are consuming. Let us put the
country of origin on this food. Let us
have inspectors there and be able to
impound the food for some time so we
can have an opportunity to do a proper
inspection.

All that is happening is a quick
check, and then we are sending the
truck on. By the time they do a sophis-
ticated check, that truck is already
hundreds of miles into the United States and has probably dropped its
load. They do not know where it is be-
cause they do not have the order there
in front of them. How do we recall it
then? It is consumed.

We had that in Michigan with Guate-
manan raspberries and our hot lunch
program. Countless kids were won-
ger. Well, it is too late then. And guess
what? It was really a U.S. company
that imported the food. The U.S. com-
pany was supposed to inspect it, but
they never did. Tainted water had been
used to grow the crops, and that is
what we have. We do not even have in-
spections overseas where this food
comes from.

It is amazing. We have worked, as the
gentleman said, for a number of years,
and we have the bill again this year;
counting up this food that is less
than 1 percent is ever inspected. It
is wintertime now, and where will most
of our fruits and vegetables for our sal-
ads come from?

Mr. BROWN of Ohio. When the gen-
tleman and I started this conversation
3 or 4 years ago, 2 percent of food was
inspected. This Congress continues to
cut the budget on food inspection.

And understand it is not just the adulterated food coming in. The way we test works on food safety, there are certain pesticides in the
United States that are banned for use.
It is illegal to put them on fields. It is
not illegal to make them. So in many
cases, American manufacturers manu-
facture these pesticides, sell them to
Guatemala to spray on the straw-
berries or on the raspberries. Those
products then come back into the
United States with these chemicals,
making the farmers sick that apply the
pesticides, and then coming across the
border.

We do not spend the money at the
border to detect either adulterated food, anything from fecal matter to
other kinds of contaminants, nor do
they detect any kinds of residues from
pesticides. And that is one of the rea-
sons that in this country, and it is not
all foreign food, but in this country
alone, we have thousands of kids sick
from food-borne illnesses and 300,000 people go to the
hospitals with food-borne illnesses.

Not blaming it all on foreign food by
a long shot. We should do a better in-
spection job with domestic food. But
foreign food is a part of it, and food
coming from abroad is a growing prob-
lem because we are importing more.
That is why we get vegetables and
fruits in the winter, because we are im-
porting them. That is a good thing. It
gives Americans the confidence that our food
will be safe by passing trade legislation
that upgrades food safety standards ev-
erywhere, rather than pulling our
standards down to the weaker stand-
ards of other countries.

We have about 3 minutes, so I will
yield to my friend, the gentleman from
Ohio (Mr. STRICKLAND).

Mr. STRICKLAND. I want to say
quickly that I think the American con-
sumer deserves information. When they
go to the grocery store, as a consumer
they deserve the right to know where
that food has come from.

I was talking with one of my con-
stituents over the weekend; and he said
to me, you know, I would pay a little
more for a television set that was made
in America by American workers if I
could find one. It is just unconscion-
able that we have not done that.

But in terms of country-of-origin la-
beling, that is so basic. And if we can-
not give this kind of information to the
American consumer, then we will have
failed them.

Mr. BROWN of Ohio. Just give more
information to people.

In closing, I thank my colleagues,
the gentleman from Michigan (Mr. STU-
PAK), the gentleman from Ohio (Mr.
STRICKLAND), the gentleman from New
Jersey (Mr. PASCHELL), the gentleman
from Massachusetts (Mr. LYNCH), and
the gentleman from Texas (Mr. PAUL),
who is here on the other side of the
aisle, who has always been a strong op-
ponent of bad free trade laws.

I would close by saying, as the gen-
tleman from Ohio (Mr. STRICKLAND)
said, corporate CEOs, the President,
cabinet officials will all be lobbying
this institution big time in the next
week. I hope that coming out of this
Special Order tonight that people will
understand better what our trade pol-
icy does to our values and our way of
life, and that the American people will rise to the occasion and continue to push Members of Congress to do the right thing next week when we vote down Fast Track Trade Promotion Authority.
Already we have clearly taken our eyes off that target and diverted it toward building a pro-Western, U.N.-sanctioned government in Afghanistan. But if bin Laden can hit us in New York and Washington, D.C., what should one expect to happen once the U.S. and the U.N. establish a new government in Afghanistan with occupying troops? It seems that would be an easy target for the likes of al Qaeda. Since we do not know in which cage or cell al Qaeda is hiding, we keep the clamor of many for us to overthrow our next villain, Saddam Hussein, guilty or not. On the short list of countries to be attacked are North Korea, Libya, Syria, Iran and the Sudan, just for starters. But this jingoistic talk is foolhardy and dangerous. The war against terrorism cannot be won in this manner. The drum beat for attacking Baghdad grows louder every day with Paul Wolfowitz, Bill Kristol, Richard Perle and Bill Bennett leading the charge.

In a recent interview, the U.S. Deputy of Defense Paul Wolfowitz, made it clear, ‘We are going to continue pursuing this entire al Qaeda network which is in 60 countries, not just Afghanistan.’ Fortunately, President Bush and Colin Powell so far have resisted the pressure to expand the war into other countries. Let us hope and pray that they do not yield to the clamor of the special interests that want us to move against Iran. The argument that we need to do so because Hussein is producing weapons of mass destruction is the reddest of all herrings. I sincerely doubt he has developed significant weapons of mass destruction.

However, if that is the argument, we should plan to attack all the countries that have similar weapons or plans to build them, countries like China, North Korea, Israel, Pakistan and India. Iraq has been an easy target because we hear world order, and remains independent of Western control of its oil reserve, unlike Saudi Arabia and Kuwait. This is why she has been bombed steadily for 11 years by the U.S. and Britain.

Mr. Speaker, my guess is that in the not-too-distant future some called proof will be provided that Saddam Hussein was somehow partially responsible for the attack on the United States, and it will be irresistible then for the United States to attack him. This will greatly and dangerously expand the war and provoke even greater hatred towards the United States, and it is all so unnecessary. It is so hard for many Americans to understand how we inadvertently provoke the Arab Muslim people and I am not talking about the likes of bin Laden and his gang. I am talking about the Arab Muslim masses.

In 1996 after 5 years of sanctions against Iraq and persistent bombing, CBS reporter Lesley Stahl asked our ambassador to the U.N., Madeleine Albright, a simple question: "We have heard that half a million children have died as a consequence of our policy against Iraq. Is the price worth it?" Albright’s response was, "We think the price is worth it." Although this interview won an Emmy Award, it was rarely related in the U.S., but widely circulated in the Middle East. Some still wonder why America is despised in this region of the world.

Former President George Bush has been criticized for not marching on to Baghdad at the end of the Persian Gulf War. He gave them enough of an explanation today a superb answer as to why it was ill advised to attempt to remove Saddam Hussein from power. There were strategic and tactical as well as humanitarian arguments against it. But the important and clinching argument against annihilating Baghdad was political. The coalition in no uncertain terms let it be known they wanted no part of it. Besides, the U.N. only authorized the removal of Saddam Hussein from Kuwait. The U.S. alone continued U.S. and British bombing of Iraq, a source of much hatred directed towards the United States.

The placing of U.S. troops on what is seen as Muslim Holy Land in Saudi Arabia against a country exactly what the former President was trying to avoid, the breakup of the coalition. The coalition has hung together by a thread, but internal dissent among the secular and religious Arab Muslim nations is increasing. Even today, the current crisis threatens the overthrow of every puppet pro-Western Arab leader from Egypt to Saudi Arabia to Kuwait.

Many of the same advisers from the first Bush administration are now urging the current President to finish off Hussein. However, every reason given 11 years ago for not leveling Baghdad still holds true today, if not more so. It has been argued that we needed to protect Saudi Arabia, but it was only after the Persian Gulf War to protect the Saudi Government from Iraqi attack. Others argue it was only a cynical excuse to justify keeping troops to protect what our officials declared were our oil supplies.

Some have even suggested that our expanded presence in Saudi Arabia was prompted by a need to keep King Fahd in power and to thwart any effort by Saudi fundamentalists from overthrowing his dynasty. This war by taking on Iraq at this time may please some allies, but it will lead to chaos in the region and throughout the world. It will incite even more anti-American sentiment and expose us to even greater danger. It could prove to be an unmitigated disaster for our status as the only world’s only economic, political and military superpower. A sleeping giant would not have troops in 141 countries throughout the world and be engaged in every conceivable conflict with 250,000 troops stationed abroad.

The fear I have is that our policies, along with those of Britain, the U.N. and NATO since World War II inspired and have now awakened a long-forgotten sleeping giant, Islamic fundamentalists. Let us hope for all of our sakes the President is not made the target in this very complex war.

The President, in the 2000 Presidential campaign, argued against nation-building, and he was right to do so. He also said, ‘If we are an arrogant Nation, they will resent us.’ He wisely argued for humility and a policy that promotes peace. Attacking Baghdad or declaring war against Saddam Hussein or even continuing the illegal bombing of Iraq is hardly a policy of humility designed to promote peace.

As we continue our bombing of Afghanistan, plans are made to install a new government sympathetic to the
We were able to gain Pakistan’s suasive arguments as always is money.

Iraqi government. Turkey does business with a drug cartel or otherwise, the numbers do not add up in meting out justice, rather than the sense of personal vulnerability.

Nation Trade Center attacks were just slightly strued as diminishing the utter horror of the events of that day.

We must remember though that the terrorists who were responsible for the 9-11 attacks. All Americans will soon feel the consequences of this new legislation.

Just as the crisis provided an opportunity for some to promote a special interest, the new legislation, many have seen the crisis as a chance to achieve changes in our domestic laws which, up until now, were seen as dangerous and unfair to American citizens.

Granting bailouts is not new for Congress, but current conditions have prompted many takers to line up for the handouts. There has always been a large constituency for expanding Federal power, for whatever reason, and these groups have been energized.

The military industrial complex is out in force and is optimistic. Union power is pleased with recent events and has not missed the opportunity to increase membership rolls. Federal policing powers, already in a bull market, received a super shot in the arm. The IRS, which detests financial privacy, floats, while all the big spenders in Washington applaud the tools made available to crack down on tax dodgers.

The drug warriors and anti-gun zealots love the new powers that now can be used to watch the every move of our citizens. Extremists who talk of the Constitution, promote right-to-life, form citizen militias or participate in non-mainstream religious practices, now can be monitored much more effectively by those who find their views offensive.

Laws recently passed by the Congress apply to all Americans, not just terrorists. But we should remember that if the terrorists are known and identified, existing laws would have been quite adequate to deal with them. Even before the passage of the recent Draconian legislation, hundreds had already been arrested under suspicion and millions of dollars of al-Qaida funds had been frozen. None of these new laws will deal with uncooperative foreign entities, like the Saudi government, which chose not to relinquish evidence pertaining to exactly who financed the terrorist operations.

Unfortunately, the laws will affect all innocent Americans, yet will do nothing to thwart terror.

The laws recently passed in Congress in response to the 9-11 attacks can be compared to the efforts of anti-gun fanatics who jump at every chance to undermine the second amendment. When crimes are committed with the use of guns, it is argued that we must install more guns to prevent them, and will not serve to preemp any terrorist attack.

The criminals, just as they know how to get guns even when they are illegal, will still be able to circumvent antiterrorist laws. To believe otherwise is to endorse a Faustian bargain. That is what I believe the Congress has done.

We know from the ongoing drug war that Federal drug police not infrequently make mistakes, break down the wrong doors and destroy property. Abuses of seizure and forfeiture laws is what I believe the Congress has done.

The Federal Government’s policing powers have just gotten a giant boost in scope and authority through both new legislation and executive orders. Before the 9-11 attack, Attorney General Ashcroft let his position be known regarding privacy and government secrecy. Executive Order 13223 made it much more difficult for researchers to gain access to Presidential documents from previous administrations and a “need to know” had to be demonstrated. This was a direct hit at efforts to demand openness in government, even if only for analysis and writing of history. Ashcroft’s position is that Presidential records ought to remain secret, even after an administration has left office. He argues that government deserves privacy, while ignoring the fourth amendment protections of the people’s privacy.

He argues his case by absurdly claiming that he must protect the privacy of the individuals who might be involved, a non-problem that could easily be resolved without closing public records to the public.
It is estimated that approximately 1,200 men have been arrested as a consequence of the 9-11 attacks, yet their names and charges are not available, and, according to Ashcroft, will not be made available. Once again, he uses the argument he is protecting their privacy.

Unbelievable. Due process for the detainees has been denied. Secret government is winning out over open government. This is the largest number of detainees has been denied. Secret government is winning out over open government. Even in times of great distress. America stands current calls for the government to sacrifice the Constitution in the name of law enforcement. The antiterrorism legislation recently passed by Congress demands how well-meaning politicians make shortsighted mistakes in the rush to respond to a crisis. Most of its provisions were never carefully studied by Congress, nor was a sufficient time taken to debate the bill, despite its importance. No testimony was heard from privacy experts or from other fields outside of law enforcement. Normal congressional committee hearings processes were suspended. In fact, the final version of the bill was not even made available before the vote. The American public should not tolerate these political games, especially when our precious freedoms are at stake.

Almost all of the new laws focus on American citizens rather than potential foreign terrorists. For example, the definition of terrorism for Federal criminal purposes has been greatly expanded. A person could now be considered a terrorist by belonging to a pro-Constitution group, a citizen's militia or a pro-life organization. Legitimate protest against the government could place tens of thousands of other Americans under Federal surveillance.

Similarly, the bill did little to restrain the growth of big government. In the name of patriotism, the Congress did some very unpatriotic things. Instead of concentrating on the persons or groups that committed the attacks on 9-11, unfortunately, have undermined the liberties of all Americans. "Know your customer" type banking regulations, resisted by most Americans for years, have now been put in place in an expanded fashion. Not only will the regulations affect banks, thrifts and credit unions, but all businesses will be required to file suspicious transaction reports if cash is used with a total of the transaction reaching $10,000. Retailers will be required to spy on all their customers and send reports to the U.S. Government.

Financial service consultants are convinced that this new regulation will affect literally millions of law-abiding American citizens. The odds that this additional paperwork will catch a terrorist are remote. The sad part is that these regulations have been sought after by Federal law enforcement agencies for years. The 9-11 attacks have served as an opportunity to get them by the Congress and the American people.

Only now are the American people hearing about the numerous portions of the antiterrorism legislation, and they are not pleased. It is easy for elected officials in Washington to tell the American people that the government will do whatever it takes to defeat terrorism. Such assurances inevitably are followed by reports either to restrict the constitutional liberties of the American people or to spend vast sums of money from the Federal Treasury.

The history of the 20th century shows that the Congress violates our Constitution most often during times of crisis. Accordingly, most of our worst unconstitutional agencies and programs began during the World Wars. Similarly, the Constitution itself was conceived at a time of great crisis. The founders intended its provisions to place severe restrictions on the Federal Government, even in times of great distress. America stands current calls for the government to sacrifice the Constitution in the name of law enforcement. The antiterrorism legislation recently passed by Congress demands how well-meaning politicians make shortsighted mistakes in the rush to respond to a crisis. Most of its provisions were never carefully studied by Congress, nor was a sufficient time taken to debate the bill, despite its importance. No testimony was heard from privacy experts or from other fields outside of law enforcement. Normal congressional committee hearings processes were suspended. In fact, the final version of the bill was not even made available before the vote. The American public should not tolerate these political games, especially when our precious freedoms are at stake.

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States is scary. With no appeals available and no defense attorneys of choice being permitted should compel us to reject such a system outright.

Those who favor these trials claim that they are necessary to halt terrorism. We are told that only terrorists will be brought before these tribunals. This means that the so-called suspects must be tried and convicted before they are assigned to this type of “trial” without due process. This will be deemed, in hearsay, in contrast to the traditional American system of justice where all are innocent until proven guilty. This turns the justice system on its head.

One cannot be reassured by believing these courts will only apply to foreign enemies who are terrorists. Sloppiness in convicting criminals is a slippery slope. We should not forget that the Davidians at Waco were convicted and demonized and slaughtered outside our judicial system and they were, for the most part, American citizens. Randy Weaver’s family fared no better.

It has been said that the best way for us to spread our message of freedom, justice, and prosperity throughout the world is through example and persuasion. The force of arms can have drifted a long way from that concept. Military courts will be another bad example for the world. We were outraged in 1996 when Lori Berenson, an American citizen, was tried, convicted, in its tranced to life by a Peruvian military court. Instead of setting an example, now we are following the lead of a Peruvian dictator.

The ongoing debate regarding the use of torture in rounding up the criminals involved in the 9-11 attacks is too casual. This can only represent progress in the cause of liberty and justice. Once government becomes more secretive, it is more likely this too will be abused. Hopefully, the Congress will not endorse this barbaric proposal. For every proposal made to circumvent the judicial system, it is intended that we visualize that these infractions of the law and the Constitution will apply only to the terrorists and never involve innocent U.S. citizens. This is impossible, because someone has to determine exactly who to bring before the tribunal, and that involves all of us. That is too much arbitrary power for anyone to be given in a representative government and the Constitution is a barrier.

Many throughout the world, especially those in the Muslim countries, will be convinced by the secretive process that the real reason for military courts is that the U.S. lacks sufficient evidence to convict in an open court. Should we be fighting so strenuously the war against terrorism and carelessly sacrifice our traditions of American justice? If we do, the war will be for naught and we will lose, even if we win.

Congress has a profound responsibility in all of this and should never concede this power to a President or an Attorney General. Congressional oversight powers must be used to their fullest to curtail this unconstitutional assumption of power.

The planned use of military personnel for police duties, and all imports is another challenge of great importance that should not go uncontested. For years, many in Washington have advocated the national approach to all policing activities. This is being done to them to a tremendous boost. Believe me, this is no panacea and is a dangerous move. The Constitution never intended that the Federal Government assume this power. This concept was codified in the Posse Comitatus Act of 1878. This act prohibits the military from carrying out law enforcement duties such as searching or arresting people in the United States, the argument being that the military is only used for this type of purpose in a police state. Interestingly, it won the issues of these principles that prompted the Texas revolution against Mexico. The military, under the Mexican Constitution at that time, was prohibited from enforcing civil laws, and when Santa Anna invaded, the revolution broke out. We should not so readily concede the principles that have been fought for on more than one occasion in this country.

The threats to liberty seem endless. It seems that we must target the enemy. Instead, we have inadverently targeted the rights of American citizens. The crisis has offered a good opportunity for those who have argued all along for bigger government.

For instance, the military draft is the ultimate insult to those who love personal liberty. The Pentagon, even with the ongoing crisis, has argued against the reinstatement of the draft. Yet the clamor for its reinstatement has been increased by those who wanted a return to the draft all along. I see the draft as the ultimate abuse of liberty. Morally, it cannot be distinguished from slavery. All the arguments for drafting 18-year-old men and women and sending them off to foreign wars are couched in terms of noble service to the country and benefits to the draftees. The need-for-discipline argument is the most common reason given after the call for service in an effort to make the world safe for democracy. There can be no worse substitute for the lack of parental guidance of teenagers than the Federal Government’s domineering control and forcing them to fight an enemy they do not even know in a country they cannot even identify have forgotten to do it with the firm conviction that they are acting in the best interests of freedom and justice. However, good intentions can never suffice for sound judgment in the defense of liberty.

I am certain that this provision would mute the loud demands for the return of the military draft. I see good reason for American citizens to be concerned, not only about another terrorist attack, but for their own personal freedoms as the Congress deals with this crisis. Personal freedom is the element of the human condition that has made America great and unique and something we all cherish. Even those who are more willing to sacrifice a little freedom for security do it with the firm conviction that they are acting in the best interests of freedom and justice. However, good intentions can never suffice for sound judgment in the defense of liberty.

Henry Grady Weaver, author of a classic book on freedom, The Main Spring of Human Progress, years ago warned us that good intentions in politics are not good enough and actually are dangerous to the cause. Weaver stated, “Most of the major ills of the world have been caused by people who ignored the principle of individual freedom, except as applied to themselves, and who were obsessed with fanatical zeal to improve the lot of mankind-in-the-mass through some means up as Gods on earth and who would ruthlessly force their views on all others, with the abiding assurance that the end justifies the means.’’
Mr. Speaker, this message is one we should all ponder.

RECESS

The SPEAKER pro tempore (Mr. JEFF MILLER of Florida). Pursuant to clause 12 of rule 1, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 7 o’clock and 56 minutes p.m.), the House stood in recess subject to the call of the Chair.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker’s table and referred as follows:

4652. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board’s final rule—Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Maintenance: Capital Treatment of Recourse, Direct Credit Substitutes and Residual Interests in Asset Securitizations [Regulations H and Y; Docket No. R-1855] received November 27, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

4653. A letter from the Federal Reserve Board, Office of the Comptroller of the Currency, FDIC, and the Office of Thrift Supervision, transmitting a final report on review of regulations affecting online delivery of financial products and services, as required by section 729 of the Gramm-Leach-Bliley Act of 1999; to the Committee on Financial Services.

4654. A letter from the Director, Department of Defense, Defense Security Coopera
tion Agency, transmitting notification concerning the Department of the Air Force’s Proposed Letter(s) of Offer and Acceptance (LOA) to Austria for defense articles and services [Docket No. R-1319] (RIN: 0625-AD; Amendment 39-287) received November 22, 2001, pursuant to 5 U.S.C. 2776(b); to the Committee on International Relations.

4655. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112(a); to the Committee on International Relations.


4657. A letter from the Acting Assistant Director, Communications, Bureau of Land Management, Department of the Interior, transmitting the Department’s final rule—Notice of Interim Final Supplementary Rules on BLM administered Public Lands within the Imperial Sand Dunes Recreation Area [CA-067-1229-NO] received November 20, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4658. A letter from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department’s final rule—Endangered and Threatened Wildlife and Plants; Final Rule To List the Worthi
toons Directories Eddies-Red (RIN: 1018-AG65) received November 21, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4659. A letter from the Program Analyst, FAA, Department of Transportation, transmitt
ing the Department’s final rule—Airworthiness Directives: Rolls-Royce Corporation (Formerly Allison Engine Company) AE 2190 turboprop and AE 3007 turboshaft Series Engines [Docket No. 2000-NE-27-AD; Amendment 39-1246; AD 2001-19-06] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4660. A letter from the Program Analyst, FAA, Department of Transportation, transmitt
ing the Department’s final rule—Airworthiness Directives: Rolls-Royce Corporation (Formerly Allison Engine Company) M56, M56A1A, and AE 3007C Turboprop Engines [Docket No. 2000-NE-41-AD; Amendment 39-1246; AD 2001-19-06] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4661. A letter from the Program Analyst, FAA, Department of Transportation, transmitt
ing the Department’s final rule—Airworthiness Directives: Rolls-Royce Corporation (Formerly Allison Engine Company) AE 300 B2 and B4 Series Airplanes, and Model A300 B4-600 and F4-600R (Collectively Called “Rolls-Royce Dart Engines”) [Docket No. 2001-NE-292-AD; Amendment 39-1245; AD 2001-19-06] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4662. A letter from the Program Analyst, FAA, Department of Transportation, transmitt
ing the Department’s final rule—Airworthiness Directives: Airbus Model A300 B2 and B4 Series Airplanes, and Model A300 B4-600, B4-600R, and F4-600R (Collectively Called “Airbus Dart Engines”) [Docket No. 2001-NE-292-AD; Amendment 39-1245; AD 2001-19-06] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

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4664. A letter from the Program Analyst, FAA, Department of Transportation, transmitt
ing the Department’s final rule—Airworthiness Directives: Airbus Model A340-211 Series Airplanes Modified by Supplemental Type Certification [Docket No. 2000-NE-246-AD; Amendment 39-1227; AD 2001-18-01] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4665. A letter from the Program Analyst, FAA, Department of Transportation, transmitt
ing the Department’s final rule—Airworthiness Directives: Airbus Model A300 B2 and B4 Series Airplanes [Docket No. 2001-NE-292-AD; Amendment 39-1245; AD 2001-19-06] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4666. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Depart
tment’s final rule—Security Zone; Various areas on the islands of Oahu, Maui, Hawaii, and Kauai, HI [COTP Honolulu-01; Amendment 39-1247; AD 2001-19-06] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4667. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Depart
tment’s final rule—Security Zone; Lake Michigan, Kenowa, Wisconsin [CGD09-01-136] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4668. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Depart
tment’s final rule—Security Zone; Lake Erié, Perry, Ohio [CGD09-01-130] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4669. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Depart
tment’s final rule—Security Zone; Lake Erié, Perry, Ohio [CGD09-01-130] (RIN: 2120-AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SENSENBRENNER: Committee on the Judiciary, H. R. 1022. A bill to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials; with an amendment (Rept. 107-362). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on the Judiciary, H. R. 3209. A bill to amend title 18, United States Code, with respect to false communications about certain criminal violations, and for other purposes; with an amendment (Rept. 107-362). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on the Judiciary, H. R. 2670. A bill to implement the International Convention for the Suppres
sion of Terrorist Bombings to strengthen criminal laws relating to attacks on places of public use, to implement the Inter
ternational Convention of the Suppression of Financing of Terrorism, to combat ter
erism and defend the Nation against ter
erorist acts, and for other purposes; with an amendment (Rept. 107-362). Referred to the Committee of the Whole House on the State of the Union.

NOTICE

Incomplete record of House proceedings. Today’s House proceedings will be continued in the next issue of the Record.
The Senate met at 9 a.m. and was called to order by the Honorable Jean Carnahan, a Senator from the State of Missouri.

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

Gracious God, we thank You for the privilege of living in this land You have blessed so bountifully. You have called the United States to be a demonstration of freedom and equality, righteousness and justice, opportunity and hope that You desire for all nations. O God, help us to be faithful to our heritage in this time of war against terrorism.

Today we gratefully remember the memory of Johnny Michael “Mike” Spann, marine and CIA agent who gave his life in the battle in Afghanistan, in his own words, “to make this world a better place in which to live.”

Now we praise You for the way that You have blessed this Senate with great leaders in each period of our history. Through them You continue to give Your vision for the unfolding of the American dream. Bless the Senators with a renewed sense of their calling to greatness through Your grace. You have appointed them; now anoint them afresh with Your spirit. As they confront the soul-sized, crucial issues today, give them a spirit of unity and cooperativeness. The workload is great, the pressure is heavy, the challenges formidable, but nothing is impossible for You.

Fill this Chamber with Your presence. You are the judge of all that will be said and done today. Ultimately, we have no one to please or answer to but You. With renewed commitment to You and rekindled patriotism, we press on to live the page of American history that will be written today. Through our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE
The Honorable Jean Carnahan 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. Byrd).

The legislative clerk read the following letter:

U.S. Senate, 
President pro tempore, 

To the Senate:

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

Robert C. Byrd, 
President pro tempore.

Mrs. Carnahan thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER
The Acting President pro tempore. The Senator from Nevada is recognized.

SCHEDULE
Mr. Reid. Madam President, this morning the Senate will resume consideration of the motion to proceed to H.R. 10. There will be 60 minutes of debate equally divided between the two leaders. The Senate will vote on closure on the motion to proceed at approximately 10 a.m.

MEASURE PLACED ON CALENDAR—H.R. 2938
Mr. Reid. Madam President, I understand H.R. 2938 is at the desk and due for its second reading.

The Acting President pro tempore. The leader is correct.

Mr. Reid. I ask that H.R. 2938 be read a second time and then I would object to any further proceedings on this legislation at this time.

The Acting President pro tempore. The clerk will read the title of the bill.

The legislative clerk read as follows:

A bill (H.R. 2938) to extend indemnification authority under section 170 of the Atomic Energy Act of 1954, and for other purposes.

The Acting President pro tempore. Objection having been heard, the bill will be placed on the calendar.

NOTICE
Effective January 1, 2002, the subscription price of the Congressional Record will be $422 per year or $211 for six months. Individual issues may be purchased for $5.00 per copy. The cost for the microfiche edition will remain $141 per year with single copies remaining $1.50 per issue. This price increase is necessary based upon the cost of printing and distribution.

Michael F. DiMario, Public Printer
in a net increase of less than half a million barrels a day. That is a lost oil, but certainly it will not do any thing to address the major problems we have in this country. Those problems relate to consumption. This assumes oil companies don't shift production from other places in the United States. There are 32 million acres in the Gulf of Mexico that have been leased but not develop. Most of the dollars spent on developing new oil supplies are invested outside the United States. Why? Because there is more oil outside the United States. We, who are so proud of our natural resources, must acknowledge, reluctantly but truthfully, that we don't have a lot of oil in the United States. It is estimated that out of 100 percent of the oil reserves in the world, we have 3 percent in the United States. Most of the dollars spent in developing new oil supplies are in places such as Russia, Africa, Caspian and, of course, the Middle East. Major oil companies, led by Exxon, just committed $30 billion to develop gas and water projects in Saudi Arabia. This is a picture of the signing of that deal. Mobil. We don't need to cry about how Mobil is doing in the economic world. Let's talk about ExxonMobil. I am glad they are doing well, but let's not cry about how they are doing. Profits in 2000 were $12.40 billion, total upstream profits. Profits from the U.S. oil and gas production is this much; you can see that. Investment in U.S. production is this much. We have learned how much they are doing with the Saudi Arabia program. The picture is of Lee Raymond of Exxon signing that deal. It was for $30 billion. The United States is spending that much. Investment in non-U.S. production in Saudi Arabia, Angola, Qatar, and others, is $5.2 billion. Madam President, we should understand where we are going. Natural gas: On the other hand, natural gas is currently being produced from existing oilfields on the North Slope of Alaska, and then reinjected because there is no pipeline to bring the gas to the lower 48 States. Natural gas demand is projected to increase by 24 percent by 2010. We in the United States have a choice. We can build a pipeline to bring the gas to market. We can do that. It wouldn't be expensive, but it would be very produc tive and good for the consumer. Or we can become dependent on liquefied natural gas from oil and gas exporting countries as we are for our other oil. So the question is: Arctic gas or liquefied natural gas from OPEC. Eleven of the world's gas-exporting nations gathered in Iran in May of this year for the inaugural meeting of the Gas Exporting Countries Forum. They control two-thirds of the world's natural gas reserves. According to the OPEC bulletin of June 2001, "Not only was the Gas Exporting Countries Forum born in the capital city of an OPEC member, but the two groups also have five members in common: Algeria, Indonesia, Iran, Nigeria, and Qatar. They can unite and coordinate their policies in much the same way as OPEC has done in the past four decades." That should give us pause. We need a stimulus from the energy policy. Some argue that opening ANWR to oil development would be a great economic stimulus. As we now know, the job numbers thrown around have been grossly exaggerated. CRS estimates job creation from ANWR might be between 60,000 and 130,000. Again, this assumes jobs are not just shifted from the Gulf of Mexico or the Rocky Mountain region. Construction of an Arctic natural gas pipeline would create between 350,000 and 400,000 jobs in steel production, pipe manufacturing, trucking and shipping, and construction jobs for 3 to 4 years for assembling the pipeline. These projections are derived from the estimated construction costs and the Bureau of Labor Statistics construction analysis, and this is the same approach as the CRS analysis used for ANWR. This pipeline would be a mammoth project, requiring 4 times as much steel as used for all the cars produced globally in 1999. The steels for the pipe would be enough to give each person on Earth enough stainless steel to make cutlery for six elaborate table settings. The potential natural gas resources could supply the American market for 50 to 60 years. It seems that we have an easy choice to make. We can do it ourselves or we can be dependent on foreign oil. In the speeches we hear from the other side, I hope they will recognize that we can't continue to consume, consume, consume, and meet our needs. We are going to have to cut back on consumption. We can do that in a number of simple ways. We can make cars more fuel efficient. We can save millions of barrels of oil a day by making our cars more efficient. Also, we need to look at what we are going to do with alternative energy sources, such as sun, wind, geothermal, biomass, and also spend some money—real dollars—in hydro gen development. For example, Senator HARKIN, for years, has worked with me in trying to come up with a hydrogen program in the United States. It can be done, but we can't get the research dollars to do it. We know it is a safe product. If you had a cont ain of hydrogen that started leaking, you could get water vapor. That is what you would get—not the sludge and these terrible messes that we get in the ocean and on land. In short, we are no longer going to stand by and let the other side speak about what a terrible thing is hap pening and that we have nothing about energy policy. We want to do something. We want to have a full and complete debate, recognizing that
The answer to the problems of America is not drilling in the Arctic pristine wilderness.

The ACTING PRESIDENT pro tempore, The Senator from New Jersey is recognized.

Mr. ROCKEFELLER. Madam President, I rise this morning to offer my strong support for the Railroad Retirement Survivor Improvement Act of 2001. It is a piece of legislation that truly will modernize the railroad retirement system and ensure that our railroad retirees are offered benefits that are consistent with what is made available in the private sector to other industrial workers throughout our economy.

Quite frankly, this is simply a fairness issue, to which I think we need to attend. It is strongly supported on both sides of the aisle, and I think we ought to do away with the procedural hang-ups that are keeping us from addressing this issue and moving forward.

The retirement system is deeply outmoded, badly in need of reform. Unlike most pension plans, the current pension system for railroad workers has tied the hands of those who have the fiduciary responsibility—

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The retirement system is deeply outmoded, badly in need of reform. Unlike most pension plans, the current pension system for railroad workers has tied the hands of those who have the fiduciary responsibility to manage it. It can’t invest in private market assets, bonds, or equities. Instead, under the current law, the railroad retirement system is required to invest only in Government securities. That is whether it is the tier 1 benefits, which are like Social Security, or tier 2 protections—very consistent with the private moral equivalents of a private pension system.

The result is that railroad retirees and their families are being placed at a significant and, I believe, unfair disadvantage relative to their peers in the private sector.

Throughout modern pension activities, we have a different result than what happens for rail workers because they are not able to retire with the same certainty and security that other workers are, and their families are prejudiced as well because of the lack of effectiveness in their investment programs and retiree programs. We need to do something about it.

This program is very simple and very straightforward. The legislation before us also represents a political compromise that enjoys broad support, as I suggested, by Republicans and Democrats, labor and management. It has wide bipartisan support throughout all interested parties. It makes sense from an economic standpoint, a consistency standpoint, and certainly a political standpoint. After all, most people in this Chamber—putting this into a personal perspective—are not being forced to invest in pension plans that are limited only to Government securities.

Under the Thrift Savings Plan, Government employees, like most in the private sector, can invest in the private market, stock index funds, debt index funds—a whole host of options that improve the performance profile of the assets involved in the pension funds.

These funds historically have done better, and the academic history and testing objective data show private pension funds need more opportunities than just being limited to Government securities. I do not understand why we are denying to railroad workers the same opportunity that we have as public employees.

Because private debt and equities generally provide these higher returns, this also would allow for significant improvement in the retirees’ benefits: For instance, a simple concept such as reducing the retirement age from 62 to 60 after 30 years of service. It is a pretty straightforward, simple, commonsense view and is very consistent with what goes on in the private sector.

Also, widows and widowers would be guaranteed benefits at an amount no less than the amount of the annuity that the retiree received. If one works all their life to build up an annuity that is sensible, the widow or widower should be able to keep 100 percent of the retiree’s annuity. That is also pretty consistent with actions in the private sector.

This legislation will allow a retirement system to reduce its vesting requirement—5 years, a very standard feature in all private sector pensions. We ought to take advantage of this opportunity to modernize the railroad retirement system and put it in a consistent format with other elements in our society’s retirement programs.

I am concerned that the reason this legislation is not moving is because there are those who believe we somehow are going to piper the money. The opposite is true. I believe when we do not properly manage, as a fiduciary, retirees’ money, we are actually limiting their ability, and the pilfering is really our fault, not theirs. We ought to do something about that.

I am concerned about what is really happening. I believe it is sometimes the view of some that we are trying to limit our options in managing retirement funds. It is quite possible people are presuming that if we make this kind of move with respect to railroad retirement activities and pension investments, we must have an analogy that works for Social Security. There is reason to believe we ought to be thinking about how we manage our Social Security trust funds so that we secure their actuarial responsibility over the long run.

I hope we are not standing against doing something that makes sense for railroad workers because we have this great desire to resist modernizing our practices in how we handle our pension funds.

It is time for us to move forward with this legislation. It was overwhelmingly supported in the House. There is something approaching 75 co-sponsors in the Senate. This is 21st century investing—actually, it is 20th century investing practices, and we need to make sure our railroad workers have that same right. I hope we will avoid all this haggling about procedure and move forward to protect their retirement the way we expect others in the economy to proceed.

Mr. ROCKEFELLER. Madam President, I am pleased to join in the original sponsor of the bipartisan Rail- road Retirement and Survivors’ Improvement Act of 2001 when it was introduced this spring. This legislation has strong bipartisan support and it deserves action before Congress adjourns today.

In West Virginia, we have over 11,000 retirees and their families currently depending on railroad retirement, and almost 3,500 West Virginians working for the railroads who will need their railroad retirement in the future. These hardworking railroad employees have done tough jobs for years, and because of the physical work and often harsh outdoor working conditions, they deserve a good retirement package, and an earlier age than current benefits allow.

Nationally, there are currently about 673,000 railroad retirees and families, and about 245,000 active rail workers. They, too, deserve a better retirement program.

There can be no doubt that improving retirement benefits for railroad workers is a problem that needs and should be addressed for far too long. It is cruel to slash the benefits of the widow of a railroad retiree at the death of her spouse, as the current policy does. Railroad widows have called my offices and pleaded with me at West Virginia town meetings to understand how essential this legislation is for them.

A railroad widow living in Hinton, WV, recently told me that her current railroad pension benefit is too small for her to pay the premium for railroad Medicare. Her husband died when he was just 56, and she was only 46. She has been struggling to maintain her home and pay her bills, and can just barely do that, but she cannot afford to buy health insurance. She deserves a better deal. Railroad widow’s retirement, and their families must be one of our top priorities. Right now, it takes 10 years of service before a railroad worker becomes vested in the retirement plan, while private companies covered by the Employee Retirement Income Security Act, ERISA, vest their employees in just 5 to 7 years.

The need to dramatically improve benefits for railroad widows and widowers is also obvious and has gone unaddressed for far too long. It is cruel to slash the benefits of the widow of a railroad retiree at the death of her spouse, as the current policy does. Railroad widows have called my offices and pleaded with me at West Virginia town meetings to understand how essential this legislation is for them.

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The need to dramatically improve benefits for railroad widows and widowers is also obvious and has gone unaddressed for far too long. It is cruel to slash the benefits of the widow of a railroad retiree at the death of her spouse, as the current policy does. Railroad widows have called my offices and pleaded with me at West Virginia town meetings to understand how essential this legislation is for them.
guaranteed benefits to railroad retirees and their families. Under the new plan, the railroads would pay less taxes into the Railroad Retirement Trust Funds, but the fund would create an investment board to invest its reserves in private equities, so the increased rate of return would cover the expanded benefits. Under the plan, there is a provision to increase railroad taxes in the future when necessary to fully fund the railroad retirement benefits.

As a member of the Senate Finance Committee, I have been pushing hard to enact this legislation to improve benefits for railroad retirees and their families. I will be working with Finance Chairman Baucus and Senate Majority Leader Daschle to achieve our goal of improving railroad retirement. Our railroad workers, our retirees, and their widows have been waiting too long for a better retirement package. It would be wrong for Congress to leave without acting on this vital program.

Mr. BURNS. Madam President, I suggest the absence of a quorum and ask that the motion to proceed be rescinded.

The legislative clerk proceeded to call the roll.

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

The motion to proceed, so I will be

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The roll call will be rescinded.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE ENERGY BILL MUST BE DEBATED

Mr. BURNS. Madam President, I have heard several comments this morning with regard to energy, yet I am still in a fog about why we are even discussing this legislation.

Americans should know that September 11 not only changed the entire Nation but it also changed the mindset in Washington, D.C. I can remember that morning because we were in a press conference talking about enhanced 9-1-1, legislation that was passed and signed by President Clinton. Basically what it did was it allowed the technology to move forward in our wireless communications that when someone used their cell phone and they hit 9-1-1, they got the nearest first responder or emergency responder.

In a State such as Montana where we have large rural areas, this is very important. I held a safety conference in Helena during the August break. We had around 200 people attending, saying we need to locate people whenever an emergency comes in on a cell phone because we have great distances to cover.

With the technology of triangulation of the towers and enhanced GPS, we can now locate the 9-1-1, or the emergency caller, just as we can when we pick up a phone in our own home where it is always within range.

We were taking a look at the deployment of that technology in a news conference on that morning of September 11 when the terrorists decided to take their bite out of the United States of America. It was a shocking thing when we saw the second airplane go into the second tower and then the one that hit the Pentagon in Washington, DC. It changed our mindset on everything. I bring that up because we are in a war, and the only defense against terrorists who will forfeit their lives to carry out a mission, the only way to prevent those people from doing great harm and killing them is to know them on the run where they do not have a lot of time to plan to do bad things to us.

I congratulate the President this morning because we are taking out the al-Qaida and the terrorists who perpetrated this act of war on our country.

We are also in a recession. We have an agricultural sector that is hurting, and we are talking about something we hear speeches every day about that are affecting our country today. Nothing in this legislation, with the time we think we have left of this year, the first half of the 107th Congress, will stimulate the economy. It has nothing to do with that.

I am a cosponsor on the bill. We have farmers who are walking into their banks to renew their operating loans, and what are the bankers telling them? We have to have concrete evidence this Government is going to be in your corner next year. We have been every year, but now they want to tie it down a little tighter. Yes, that is a stimulus. Agriculture is about 20 percent of the GDP in this country. It is very important, and it all starts at the production level. We do not hear anybody talking about that.

Yesterday morning I brought up the fact that energy is a part of this, and we hear speeches every day about energy, but we only hear speeches. Put a bill on the floor. Allow a bill to come to the Senate. We will debate conservation. We will debate the economy. We will debate production. The President has a lot of actions he wants taken are not allowed to be debated. Make no doubt about it. We are at war, and then we hear speeches. We have an energy crisis, but we hear speeches. The economy continues to slip; we continue to hear speeches. Put the bill before the Senate. That is all I say.

The Railroad Retirement Act probably has more cosponsors as have ever cosponsored a bill in this body. Some folks would say fairness. Fairness to whom? Fairness with the rest of the country? It does nothing that would heal some of the ills that are affecting our country now.

What I am saying is let us get our work done. If we want to talk about energy, put an energy bill before the Senate. That is all we ask. Then we will let the chips fall where they may. That is what we should be doing this morning if we move forward on anything.

Let us do something substantive. Let us complete the appropriations. I serve on the Appropriations Committee. The assistant minority leader serves on that committee. We have worked together on a lot of issues, and I think he will agree that it is not going to take a lot of work or a lot of time to finish. If we move forward on these appropriations and complete a stimulus bill, then let us go home and let us recharge the batteries. Let us talk to the people back home. Let us find out what their agenda is, what they want to see this Government and this Congress do as we complete the year 2001.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Nebraska.

Mr. REID. Madam President, the junior Senator from Montana, my good friend, and I have worked together on a number of issues. We were the two who handled military construction appropriations and I had a real pleasure to work with. I enjoyed working with him this year on the Interior appropriations bill. In answer to my friend, the reason we are talking about energy this morning, it has been talked about so much from the other side, I must reply.

Regarding the railroad retirement bill, it is important legislation. For the widows, it is an important piece of legislation. I acknowledge we should move these appropriations conference reports as quickly as we can. Transportation was resolved yesterday. That is big news. We hope to complete that this week as soon as the House does.

Yesterday it was noted that if we moved to the House bill, which will be the vehicle for the railroad retirement legislation, the stimulus bill would be displaced. We agreed that the stimulus bill should not be displaced. We did not raise a point of order. I had the pleasure to move it off the calendar. We could have raised a point of order against a Republican vehicle and then the stimulus bill would be gone forever from this session of the legislature. We chose not to do that. Now the stimulus bill should not be displaced. That is the reason we asked to call the railroad bill up by unanimous consent, but that was objected to by a Republican colleague.

To ensure again that the stimulus bill is not displaced by the railroad retirement bill, I ask unanimous consent the stimulus bill, H.R. 3090, recur as the pending business immediately upon the disposition of the railroad retirement bill.

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

Mr. CRAIG. On behalf of the Republican leadership, I object.

The ACTING PRESIDENT pro tempore. The objection is on the floor.

SENATE WORK PRIORITIES

Mr. CRAIG. Madam President, let me speak for a few moments on the issue of railroad retirement, the stimulus package, and the business before the Senate. Our assistant Republican leader is on the floor and wants to speak to the motion to proceed, so I will be brief.

We were discussing how we moved to the House bill and the Appropriations Committee worked very hard to get that done. We have a large amount of work that we have left this year and we hope to complete our work.
I rise in support of railroad retirement and have been a cosponsor of that legislation for the last several years. There is adequate time to deal with this issue. We can deal with it now following the stimulus package or certainly can deal with it next year. The Democrat leadership has chosen to bring it up and force the issue at this time. It is an important piece of legislation. There are 75 cosponsors in the Senate. The Senate Finance Committee has worked some on it. The House has worked on it and passed it.

Is it a perfect piece of legislation? No. It goes a long way to fix a flawed system, a system at this time that is in deep trouble, a 65-year-old system that has been treated poorly in the past in many respects and will not serve the retirees or the railroad system effectively well in the future.

As a result of an effort on the part of management and labor to bring this issue together, they have worked hard to do it on many on the side who disagree and some on the other side who disagree. This issue does not find unanimous support in the Senate. I would hope issues of such critical nature could find unanimous support, but that will not happen.

It is important this issue be addressed. I hope the Senate can work its will. I will support efforts to bring it to the floor. At the same time, I hope the Democrat leadership understands a reversion has been declared in this country by the institutions that measure our economics and measure the output of our economy. If we are in recession—and we are—we ought to deal with a stimulus package that will bring investment and job creation back to the marketplace.

We ought to be understanding that we are at war. We ought to move expeditiously, as the House now is, to deal with the DOD package to make sure our military is in harm’s way and adequately funded, and that all of the issues of post-September 11 are dealt with in the appropriate fashion. That doesn’t mean we have to stay here for the next 3 weeks to get that done.

We do our timely work now; we come back in late January and do the balance. This is an issue that could have been dealt with in late January, as can agriculture, as energy, I hope, will be with a date definite and a vote up or down passed. If energy is not dealt with in that fashion, and if the majority leader does not choose to give us a clear signal as to how energy will be voted on, energy will be an amendment to any amendable bill that comes before the Senate following the current effort.

This bill will be amendable. Maybe energy fits well into a railroad retirement package. It is every bit as critical to a broader base of the American economy as this bill is very critical to a lot of people in my State and across the Nation.

To reiterate, I support the railroad retirement legislation. I am one of the 75 cosponsors in the Senate. In the last Congress, when I was briefly a member of the Senate Finance Committee, I had an opportunity to participate in the hearings on the bill and vote in favor of passing it and sending it to the Senate floor. While I am a supporter of this bill, I can understand why some of my colleagues have genuine problems with it. Does this bill take a flawed system and make it perfect? No. However, does this bill take a flawed system and dramatically improve it? Yes.

I am here today to urge my colleagues: Do not let the perfect be the enemy of the very, very good. It is no time to fail this railroad management came together, reasoned together in good faith, and devoted a great deal of energy, expertise, and old-fashioned innovation to improving a 65-year-old system in a bright and forward-thinking way. They have fashioned a remarkably good bill. It removes a 65-year-old requirement that assets of the system be invested solely in Federal instruments. It permits the kind of investments that any other industry pension plans make. As a result, over time the system will bring in more revenue, and that will permit better benefits for retirees and surviving spouses, while reducing the contributions needed from rail employers. It is important to remember that this bill also provides for the possibility that the returns on investments might be less than history suggests they will be. If that should occur, it would trigger an automatic adjustment mechanism requiring more contributions from the industry. This protects the federal government and the nation’s taxpayers. On the other hand, if returns are greater than projected, both labor and management will be entitled to further contributions.

The new Investment Trust created by the bill will not include any government employees and will not be appointed by any. Trustees will be subject to the ERISA fiduciary standards. They will be hired professional pension investment advisors. Congress will annually receive a report on the results of the investment efforts.

Let me also address the so-called ‘cost’ of this bill. I agree with the House of Representatives that changing the investment mix is not an outlay, but just a new means of financing the government’s obligations under the system. Those who take balanced federal budgets seriously should have no reason to back away from this legislation.

Mr. President, the thousands of working men and women, retirees, and surviving spouses who will benefit from this legislation patiently while this bill has been reviewed again and again. They have waited long enough. This bill is an enormous step in the right direction, and one the entire Senate should support.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES, Madam President, I rise in opposition on a motion to proceed. I have great respect for my friend and colleague from Nevada, but I happen to disagree that moving to railroad retirement is what we should be doing. Railroad retirement is an issue that a lot of people say has been considered by Congress. It hasn’t been considered. We didn’t have a hearing in the House; we didn’t have a hearing in the Senate. We have a bill written by special interest groups, by railroad companies and labor, and said, great, now have the American taxpayer pay for it.

If there is ever special interest legislation, this is it. We are going to say we want to set aside the stimulus package so we can take this bill up. I have told my friends and colleagues if we take it up, we will have to have a lot of amendments and a lot of debate.

I read where tier 1 is the same thing as Social Security. But it is not. It is not the same thing. There are differences. People who receive Social Security do not get change 60 with 100-percent benefits. And this is what this legislation does for railroad retirees.

Under private pension benefit plans, survivors of deceased usually receive 50 percent; the survivors under this bill receive 100 percent. We are going to do that? We are going to put that in the statute and say the Federal Government will pay for it?

People say they want to be treated like the private sector. Private sector gets to invest in the stock market. Great. Make this a private sector plan. We can do that. We are going to give them $15 billion, that is a heck of a cash infusion to a pension system. We have never done that in the history of America where we have taken $15 billion, given it to one industry for their retirement system. It benefits primarily a few companies and a whole lot of employees and retirees. They have worked it out in a mutually beneficial manner. They both benefit, almost exactly the same deal. They negotiated a deal to save $4 billion in 10 years and the employees get $4 billion in new benefits. And the Federal Government will give them $15 or $16 billion in the process.

I question the wisdom of doing that. We have not had a hearing and have not been able to ask people: Why are we doing this? How does it work? Where does the money come from?

If we move to this bill, as I expect may well happen but, will have to have some amendments. We will have to consider should tier 1 really be equivalent to Social Security. If they are going to be in the Social Security system and pay Social Security taxes, they pay identical tier 1 taxes to Social Security, shouldn’t we give them identical Social Security benefits? Or do we give them benefits far in excess of what Social Security provides? We are going to have to consider that.
What about this survivor benefit? They say this is great, we have a survivor benefit, and it is a big increase. Everyone likes it. If we are going to increase the survivor benefit for railroad roads, should we do it also for Social Security? And if so, would I have directed scorekeeping in here to 'not count' $15 billion? It is projected in 20 years the taxes are 70 percent of the amount of money available. This fact, it is kind of startling to find out. It has not become law yet because it still has to go through the amendment process, and I hope we can improve it. It is more important that we stay on track.

I am on the Budget Committee. I have been on the Budget Committee for 21 years. I am embarrassed by this language. I am embarrassed the House passed it, and I am embarrassed we would even consider it in the Senate. So we are going to have amendments to strike it, and we will find out whether or not people think when you write a check it doesn’t count. If we say it doesn’t count, let’s just tear up the Budget Act totally.

Speaking about budgets, a lot of people are talking about emergencies. I met with the President last night, and I said we have been trying to respond to emergency situations in a bipartisan fashion, but I am looking at spending that is growing rather dramatically. The President proposed a budget that grew at 6.1 percent. We had an agreement at $686 billion. We signed a letter. Members of Congress actually asked the President to sign the letter that said: Here is our deal. October 2, our budget deal, $686 billion discretionary spending, a growth rate of 7.1 percent. We added a few billion more for education. All signed on, this is the deal. Then we agreed, let’s add $40 billion as a result of the September 11 attack. The Senate appropriated the $686 up to $726 billion. The growth of spending now is 13.3 percent. That doesn’t include $16 billion coming in for railroad retirement. That doesn’t include $16 billion or $15 billion or $7.5 billion for additional homeland security. That doesn’t count the additional billions of dollars—we don’t know how much it is going to cost—in the victims’ compensation fund that is already the law of the land. That doesn’t count the $15 billion we have for airline security and loan guarantees.

If we add all that together, we are on a spending spree in Congress. It looks to me as if people are trying to ram through all the spending they can this year because they know that next year we are in red ink. Next year we are going to have deficits.

There was a front page story in the Washington Post today alluding to the situation that we may have deficits for several years, so let’s run this through now and put in little language in the bill that says it doesn’t count.

So I hope to have several amendments to this legislation if we are forced to consider it. Although, I think it is more important that we stay on...
the stimulus package and visit this legislation at another time. I hope we finish the Nation's business. I hope we get our appropriations bills done, pass the stimulus package trying to help this economy which is in a recession, and go home. But if we are going to say let's come back and spend this kind of money, we are going to have to rework this program and improve it.

Let's allow the unions and railroad companies to come up with whatever benefits they want. I don't care if they have a rider at age 40, as long as they pay for it and don't ask us to pay for it. If it is their retirement system and they are responsible for it, great. If they are asking taxpayers to pay for it, wait a minute, we should be a little more cautious. If they are going to have survivor benefits greater than almost every survivor benefit in America, that is fine, as long as they pay for it. But don't ask us to guarantee it.

So I urge my colleagues to vote no on the motion to move off the stimulus package and move on the railroad retirement bill.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. While the distinguished Senator from Oklahoma is on the floor, I ask unanimous consent the time for debate prior to the cloture vote on the motion to proceed to H.R. 10 be extended until 10:30, with the time equally divided and controlled as under the previous order, and that the remaining provisions of the previous order governing the cloture vote remain in effect.

Mr. NICKLES. Reserving the right to object, I suggest the absence of quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. REID, Madam President, I renew my request.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. REID. Madam President, I suggest the absence of quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The PRESIDING OFFICER. The motion to invoke cloture.

The question is, Is it the sense of the Senate that the debate on the motion to proceed to H.R. 10, an act to provide for pension reform, and for other purposes, shall be brought to a close? The yeas and nays are required under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 96, nays 4, as follows:—

ROTCAL Vote No. 343 Leg.

YEAS — 96

Akaka                   Domenici                   Lugar
Aliard                  Dorgan                     McCain
Allen                   Durbin                     McConnell
Baucus                   Edwards                    Mikulski
Bayh                   Eshoo                         Miller
Bennett                   Enzi                       Murkowski
Biden                   Feingold                    Nelson (FL)
Bingaman                  Feinstein                  Nelson (NE)
Bond                   Fitzgerald                   Noonan
Boxer                   Filner                       Oberstar
Breaux                   Graham                      Reid
Brownback                  Grassley                  Roberts
Bunning                   Hagel                      Rockefeller
Burns                   Harkin                     Santorum
Byrd                   Hatch                         Schakowsky
Campbell                Hollings                     Sessions
Carnahan                  Huston                     Shelby
Carper                   Hutchinson                  Smith (NH)
Chafee                   Inhofe                        Smith (OK)
Chambliss                  Jesse                      Snowe
Clinton                   Jeffords                    Specter
Cochran                   Johnson                     Stabenow
Collins                   Kennedy                    Stevens
Conrad                   Kerry                         Thomas
Corzine                   Kohl                        Thomson
Craigo                   Lombardi                    Torricelli
Crapo                   Leahy                         Voinovich
Daschle                  Levin                         Warner
Dayton                   Lieberman                    Wellstone
DeWine                   Lincoln                     Wyden
Dodd                   Lott                         Wyden

NAYS — 4

Gramm                   Grassley
Greece                   Nields
Grissom

The PRESIDING OFFICER. On this vote, the yeas are 96, the nays are 4. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

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

The PRESIDING OFFICER. The motion to move off the stimulus package and move on the railroad retirement bill.

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

Mr. HATCH. Mr. President, I ask unanimous consent that I be allowed to speak for up to 15 minutes as if in morning business.

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

Mr. HATCH. Thank you, Mr. President.

The PRESIDING OFFICER. Mr. Hatch, you now have the floor.

Mr. HATCH. Mr. President, I rise today to speak on behalf of all parents and grandparents, teachers, clergy, mentors, law enforcement, treatment and prevention coalitions, and all the others who work every day to prevent illegal drug use from destroying the lives of our young people. Our country needs John Walters, the President’s nominee for drug czar, to be confirmed.

It is shameful that here we are in November, and Mr. Walters remains the President’s only Cabinet member who has not been confirmed.

To say that the confirmation of Mr. Walters has been obstructed is by no means an exaggeration. It has been 203 days since the President announced his choice of John Walters to be the next Director of the Office of National Drug Control Policy. It has been 177 days since the Senate received his nomination. It has been 55 days since Mr. Walters’ hearing before the Judiciary Committee.

And it has been 21 days since his nomination was voted out of the Judiciary Committee by a wide margin and sent to the Senate floor. How many more days, weeks, and months can we expect this nomination to linger before a vote is finally scheduled?

In my view, we have already waited much too long.

John Walters’ confirmation will also add another much-needed weapon to our arsenal in the war against terrorism.

Since the September 11 attacks, there has been much discussion about the nexus between drug trafficking and terrorism. We know that proceeds from the manufacturing and trafficking of opium poppy helped sustain the Taliban’s control of Afghanistan. We also know that terrorist organizations routinely launder the proceeds from drug trafficking and use the funds to support and expand their operations internationally, including purchasing weapons and transportation.

I am sure in the coming months and years, we will continue to learn about the clandestine connection between drugs and terrorists.

The situation in Afghanistan also bears on the world’s supply of heroin. In 2000, over 70 percent of the world’s heroin was produced in Afghanistan. Stockpiles of Afghan heroin were reportedly dumped on the market after the September 11 attacks. While officials in America and Europe are bracing for the onslaught of cheaper heroin that will soon be hitting the markets in all neighborhoods across America and Europe, we have no drug czar. The
head of the Drug Enforcement Administration, the DEA, Asa Hutchinson, recently referred to the situation in Afghanistan as a “rare opportunity” for U.S. antidrug efforts to act on the successes of the military campaign and influence the comprehensive policy design to reduce significantly heroin production in Afghanistan. While I have great confidence in the work Asa Hutchinson and the DEA are doing, the administration needs its lead drug control policy official in place to help formulate the comprehensive policy designed to reduce significantly heroin production in Afghanistan.

Mr. Walters will have to work closely with law enforcement and intelligence authorities to ensure that the international component of the Nation’s drug control policy is designed not only to prevent drugs from being trafficked into America but also to prevent the manufacturing and sale of drugs for the manufacture and sale of drugs. He has prepared himself for this office. His study of the war on drugs, his experience, and his preparation have been well. He has worked tirelessly over the last 2 decades helping to formulate and implement comprehensive policies designed to keep drugs away from our children. By virtue of this experience, he truly has unparalleled knowledge and experience in all facets of drug control policy. Lest there be any doubt that Mr. Walters’ past efforts were successful, let me point out that during his tenure at the Department of Education and the Office of National Drug Control Policy, drug use in America fell to its lowest level at any time in the past 25 years, and drug use by teens plunged over 50 percent. Mr. Walters has remained a vocal advocate for curbing illegal drug use. Tragically, as illegal drug use edged upward under the previous administration, his voice went unheeded.

John Walters enjoys widespread support from the widest range of law enforcement community, including the Fraternal Order of Police and the National Troopers Coalition. His nomination is also supported by some of the most prominent members of the prevention and treatment communities, including the National Association of Drug Court Professionals, the American Methadone Treatment Association, the Partnership for Drug Free America, National Families in Action, and the National Anti-Drug Research tions of America. All of these organizations agree that if we are to win the war on drugs in America, we need a comprehensive policy aimed at reducing both the demand for and supply of drugs. His accomplishments record demonstrates that he, too, has always believed in such a comprehensive approach. As he stated before Congress in 1993, an effective antidrug strategy must “integrate efforts to reduce the supply as well as the demand for illegal drugs.”

Despite this groundswell of support, ever since Mr. Walters was first mentioned almost 7 months ago to be the next drug czar, several interested individuals and groups have attacked his nomination with a barrage of unfounded criticisms. Because of these untruths, I believe his confirmation has been delayed, and I feel compelled to respond to these gross distortions of John Walters’ record.

The most common criticism I have heard is that John Walters is hostile to drug treatment. This is categorically false. Indeed, John Walters, who in 1993, revealed that supporting drug treatment as an integral component of a balanced national drug control policy. You do not have to take my word on this. You need only look at the numbers. In mind, just today, just an hour ago, we passed the Hatch-Leahy “Drug Abuse Education, Prevention, and Treatment Act of 2001” out of the Judiciary Committee. The bulk of the money in that bill will go for drug treatment, education, and prevention programs. And simple commonsense advice and counsel of Mr. Walters. So that is a false accusation. But look at the numbers.

During Mr. Walters’ tenure at ONDCP, treatment funding increased over 50 percent. The increase over 8 years for the Clinton administration of a mere 17 percent. This commitment to expanding treatment explains why John Walters has such broad support from the treatment community, including law enforcement and interdiction authorities to ensure that the interdiction and enforcement campaign be implemented the Drug-Free Schools Program. This criticism, too, is flat wrong and again belied by his record. For example, in testimony given before the Senate Judiciary Committee this morning. I quote from the record:

“Mr. Walters does not support a balanced drug control policy that incorporates both supply and demand reduction programs. This criticism, too, is flat wrong and again belied by his record. For example, in testimony given before the Senate Judiciary Committee last year, Mr. Walters, then acting Director of ONDCP, laid out a national drug control strategy that included the following guiding principles: educating our citizens about the dangers of drug use, placing more addicts in effective treatment programs, expanding the number and quality of treatment programs, reducing the supply and availability of drugs on our streets, and dismantling trafficking organizations through tough law enforcement and interdiction measures.”

Mr. Walters’ support of prevention programs is equally evident. His commitment to prevention became clear during his tenure at the Department of Education during the Reagan administration. He drafted the Department’s first drug prevention guide for parents and teachers entitled, “Schools Without Drugs” and created the Department’s first prevention advertising campaign, and implemented the Drug-Free Schools grant program.

These are not the words or actions of an ideologue who is hostile to prevention and treatment but, rather, represent the firmly held beliefs of a man of conviction who has fought hard to include effective prevention and treatment programs in the fight against drug abuse.

Some have also charged that Mr. Walters does not believe the oft-repeated liberal shibboleth too many low-level, “non-violent” drug offenders are being arrested, prosecuted, and jailed. I, too, plead guilty, and we have the facts on our side. Data from the Bureau of Justice Statistics reveals that 67.4 percent of Federal defendants convicted of simple possession had prior arrest records, and 54 percent had prior convictions. Moreover, prison sentences handed down for possession offenses amount to just 1 percent of Federal prison sentences. It is flatly untrue that a significant proportion of our Federal prison population consists of individuals who have done nothing other than possess illegal drugs for their personal consumption. The simple fact is that the drug legalization camp exaggerates the rate at which defendants are jailed solely for simple possession. Mr. Walters, to his credit, has had the courage to publicly refute these misleading statistics.

And to these critics I say we must make one point perfectly clear. Those who sell drugs, whatever type and whatever quantity, are not, to this father and grandfather, nonviolent offenders, not when each pill, each joint, each needle, or each dose can often does—destroy a young person’s life. Mr. Walters’ critics have shamefully distorted his statements to claim that he favors jailing first-time, non-violent offenders.

I am committed 100 percent to expanding and improving drug abuse education, prevention, and treatment programs, and I know that John Walters is my ally in this effort. Earlier this year I introduced S. 304, the Drug Abuse Education, Prevention, and Treatment Act of 2001, a bipartisan bill that I drafted with my good friend, Senator Leahy, Senators Biden, DeWine, Thurmond, Feinstein, and Grassley. This legislation will dramatically increase prevention and treatment efforts. In drafting the bill, I repeatedly solicited Mr. Walters’ expert advice. I know, and his record clearly reflects, that he agrees with me and my colleagues that prevention and treatment must remain integral components of our national drug control policy.

We just passed that bill out of the Judiciary Committee this morning. I hope it will be called up immediately and passed out of the Senate because it will make such a difference in the lives of our young people around this country. If I recall correctly, Joe Califano, the former head of HEW, Health, Education, and Welfare—now Health and Human Services—called this bill truly revolutionary and one that he could support wholeheartedly. He is not alone.

We need to shore up our support for demand reduction programs if we are
to reduce illegal drug use in America. This belief is bipartisan. Our President believes it. Our Attorney General believes it. Our Democratic leader in the Senate believes it. My Republican colleagues believe it. And most importantly, the American people believe it.

Since being nominated in May, Mr. Walters has made himself available to all Senators on the Judiciary Committee. He has thoroughly answered all questions posed to him by the Judiciary Committee as well as questions from Senators not on the Committee. I commend the President for his selection and nomination of John Walters, and I call upon the Democratic leader to end the delay, remove all holds, and schedule a vote on Mr. Walters' nomination as early as possible, this week, if he could.

At a time when we are at war, it is simply not prudent or proper to play politics with this nomination. I urge my colleagues to reject the efforts of those who have wrongfully sought to taint John Walters and to support an immediate vote on his nomination.

Finally, I urge Chairman LEAHY not to let this session end without holding hearings for the deputy positions at ONDCP. Mr. Walters needs his team in place to work with my Senate Republican and Democratic colleagues and the administration to carry forward our fight against drug trafficking and terrorism.

Let me make one or two final remarks. First, I see the Judiciary Committee pass out the nine additional district judges, one a circuit court judge nominee and eight district court nominees, and, in addition, to pass out two other top officials in the Bush administration and, of course, a number of U.S. Attorneys. I commend our chairman for doing that. I commend him for moving forward on these judges.

We have come a long way from when the President reached their heights in 2001. We still have a long way to go because there are still 101 vacancies in the Federal judiciary as I stand here today. Frankly, that is probably 101 too many. Be that as it may, we all know that we have to do something about them.

As we prepare to recess, there is one startling fact that needs more attention. On May 9, President Bush nominated 11 outstanding attorneys to serve as Federal appellate court judges. To this date, exactly three quarters of those nominees are still pending in the Judiciary Committee without a hearing. Although all of these nominees received qualified or well-qualified ratings from the American Bar Association, only 3 of those first 11 nominees have had a hearing. At present, there are 30 vacancies in the Federal courts of appeals. Some courts, such as the DC circuit, are functioning under a dramatically reduced capacity.

President Bush has responded to the vacancy crisis by nominating a total of 28 top-notch men and women to these posts, a number of circuit court nominees that is unprecedented in the first years of recent administrations. Yet the Judiciary Committee has managed to move just five appeals court judges from the committee to the Senate floor for a vote. Last year at this time we had 67 vacancies in the Federal judiciary. Since Senator LEAHY has become chairman, the vacancy rate has never been below 100. I am concerned that this number will only continue to grow after Congress recesses next month.

I urge my colleagues on the other side to use the remaining weeks of this session to hold hearings and votes on judicial nominees to combat the alarming vacancy rate.

Having said that, I am pleased that the chairman did allow nine judges to pass out today. I hope he will continue to work in a bipartisan fashion with me to pass out more. I am proud to work with Senator LEAHY. I certainly think that the District of Columbia as well, my way I possibly can. I believe the other Republicans on the committee do well.

There is a lot of criticism that goes back and forth on the Federal judiciary. I have to say, it is difficult to be chairman of this committee. I sympathize with Senator LEAHY on some of the difficulties he has had. I know there are people on his side who would just as soon not have any Bush judges go on through, as there were occasionally on our side. It is very difficult to meet some of the objections and to overcome them and to resolve some of the political problems that arise. We have to do it. We have to stand up and work with both sides to get the Federal courts as full as we possibly can so that justice can proceed, especially in the case of the Circuit Court of Appeals for the District of Columbia, the District Court of the District of Columbia. We can do that, so that we can handle all of the terrorist issues that will come before that particular court.

Having said all of that, I hope we can move ahead with John Walters; if they are any hold, they will be removed; and if they won't remove them, I hope the majority leader will ignore the holds, bring this up for a battle on the floor, and then have a vote up or down and let the chips fall where they may.

I believe Mr. Walters will be confirmed. I believe he must be confirmed. If we don't get him confirmed, I believe the rate of youth drug use will continue to rise, and we have had enough of that. We have to get a very tough policy going again on drugs, and that should include both the supply and demand sides.

I will make sure that this new administration under John Walters, will take care of the demand side as well as the supply side. If we pass S. 304 through the Senate on which Senator LEAHY and I have worked so hard, I believe it will go to the House. I believe they will pass it, and it will go a long way toward resolving some of the really serious drug problems we have among our young people.

I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

The PRESIDING OFFICER. Without objection. It is so ordered.

Mr. REID. 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 FOR RECESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate stand in recess today from 12:30 to 3:30 p.m., and that the time be charged under rule XXII. We will reconvene at 3:30.

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

Mr. REID. Mr. President, for those who are listening, this is really important that we do get together. I understand Senator LEAHY on some of the difficulties he is going through in Afghanistan.

It is important that all Senators attend the luncheon with Colin Powell and the briefing upstairs about what is going on in Afghanistan.

We know that a number of Senators have expressed a desire to speak. The junior Senator from Michigan is here. At this time, I wish to speak. I understand Senator CARNahan is here. So we will recess at 12:30. Everybody should be advised that the time until then is open. Perhaps we could arrange some times, if that is helpful to the parties here. It is my understanding that Senator CARNahan wishes to speak, but I don't know for how long. Maybe we can get things set up so people don't have to wait around. The Senator from Michigan wants to speak for 15 minutes. The Senator from Illinois wants 5 minutes. So we have Senator DURBIn for 5, Senator CARNahan for 10, Senator STABEnow for 15, and Senator THOMPson wants 15.

I ask unanimous consent that the Senator from Illinois be recognized for 5 minutes, the Senator from Michigan be recognized for 15 minutes, the Senator from Missouri be recognized for 10 minutes, and then Senator THOMPson be recognized for the final 15 minutes. That would total 30 minutes. The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Illinois.

ECONOMIC STIMULUS

Mr. DURBIn. Mr. President, I thank the Senator from Nevada for his leadership. He works so hard on the floor on a regular basis to make sure things run smoothly and we get about the business of deliberating important issues. At this time, there is no more important an issue than the economic stimulus package. As we move around the Nation, clearly people have lost jobs
and businesses are hurting. We need to spark this economy, to move it forward.

There was good news yesterday on Capitol Hill. The leaders—Democrats and Republicans—came together to start working on a stimulus package, a recovery package that will truly help all Americans. I have taken a look at many of the proposals here, and I certainly support the Democrats’ position that we need to help families who have lost their jobs. If you are unemployed in America today and you are lucky enough to have unemployment insurance, you get about $230 a week on which to live. Imagine for a moment, as you follow these proceedings, what life would be like on $230 a week, trying to make your mortgage or rental payment, pay utility bills, buy food for your family, and provide for the necessities. It is very difficult.

Over half of the unemployed workers don’t even have unemployment insurance. They have left part-time jobs and they have no help. It is no wonder we are finding that food pantries and kitchens for the poor across America are being overwhelmed with those coming in for help at the end of the year. It is important that we remember these people as part of the stimulus package. Money given to these families is money that will be spent on the necessities of life, and that would be an expenditure that would not only help them but equally important, spark the economy because they are going to be making purchases that help retailers and producers of goods and services across America.

In addition, health insurance is one of the first casualties of an unemployed family. And $500 or $600 a month for a COBRA plan, a private health insurance plan, is beyond the reach of most families. Think for a moment. If you are one of the millions facing unemployment as myself, whose family is insured, how that situation will affect your family. Families. Think for a moment. If you of the first casualties of an unemployed family. That is why the Democrats pushed hard to keep that in the package.

Let me tell you another thing we can do to spark the economy. We need a tax cut. I and Senator DOMENICI and others support, would be focused on helping employees and employers across America. We can do this. The stimulus package we are about to pass will provide a payroll tax holiday to the American people, even before this holiday season comes to an end, we are going to provide them a real tax cut and real tax relief.

I hope as part of our bipartisan package we can include this provision. We can get this economy moving and do it in the right way, and do it in a fair fashion.

I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I rise to commend my colleagues from Illinois for his comments. I wish to associate myself with the comments of both Senator DURBIN and Senator DASCHLE, for bringing together the leaders for discussions. I thank the Department of Labor estimated that unemployment insurance mitigated the real loss in GDP by 15 percent. That is real, that is measurable, and it is an immediate stimulus to the economy. In the last 5 recessions, real loss of GDP was mitigated by 15 percent, and the average peak number of jobs saved was 131,000 jobs.

Economists are telling us that this is not just about doing what is fair; it is about saving American workers, and the average peak number of jobs saved was 131,000 jobs.

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We are talking about a demand-side approach. The Republicans in the House of Representatives have said economics at its best—hoping that it would trickle down somehow in time to help small businesses, workers, professionals, middle-income people, somehow that it would trickle down in order for people to be able to receive some kind of assistance during this recession.

We know in the past that approach has not worked. I am here today to encourage us to do what mainstream economists across the board have suggested we do, which is to put something in place that is immediate, temporary, and stimulates the economy by putting money directly into people’s pockets. I think the payroll tax holiday is one good way to do that. It would certainly support small businesses.

We hear a lot of talk about big business in the Congress. Yet small business is the fastest growing part of our economy, employing millions of people. They, too, have been affected—many more so than people in large firms in terms of the recession. We need to make sure we are focusing on support for small business, whether it is being able to write off investments more quickly, whether it is a payroll tax holiday, or the tax cuts for the lower income categories in America. This payroll tax holiday, which I and Senator DOMENICI and others support, would be focused on helping employees and employers across America. We can do this. The stimulus package we are about to pass will provide a payroll tax holiday to the American people, even before this holiday season comes to an end, we are going to provide them a real tax cut and real tax relief.

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trickle-down economics, supply side, that is the way to get the economy going. Economist after economist has come forward to say the problem is not supply. In my State of Michigan where we make outstanding automobiles, trucks, we want to be able to purchase those vehicles. We know the problem is not supply; the problem is demand and people having a job, having income, and being able to purchase that vehicle. It is demand side, and that is what the economists are all telling us.

I want to speak about the economy and why we need to expand the unemployment insurance needs and modernize the system and why the Senate Democratic approach is so important to women in our economy.

When we look at unemployment insurance today, only 23 percent of unemployed women meet the current unemployment insurance eligibility requirements. Twenty-four percent of unemployed women meet the eligibility requirements of unemployment insurance. Women who are heads of households and families dependent upon two incomes are disproportionately and unfairly laid off and affected by our current unemployment system.

That is why the Senate Democrats have put forward a modernization of unemployment compensation by covering both part-time and low-wage workers. This proportionately helps women more than it does men because women are more likely to be in part-time positions or in lower wage positions.

Unfortunately, the administration plan and the House plan do nothing to include part-time or low-wage workers. Sixty percent of low-income workers are women and 70 percent of part-time workers are women.

I believe it is important for us to understand that those part-time workers may be care giving for their children, may be care giving for a mom, a dad, a grandpa or Grandma who need assistance, and they are doing other family obligations while providing important income for their family. They should not be left out of the economic picture. When we are looking for ways to support the economy and working men and women, we need to remember those women who are working part time or are in low-wage professions.

Women are the majority of workers in industries that have been hardest hit by the economic downturn: 56 percent of retail sales, 69 percent of restaurant and wait staff, 65 percent of kitchen workers, 79 percent of flight attendants.

I find it so disconcerting that here we are, just last September 11 when we immediately responded to the concerns—and I supported doing that—of the airline industry to help them recover from what happened on September 11, we have yet to pass a bill to support the people who work in that industry.

We were promised that if we dealt with the industry first, we would come back to those hundreds of thousands of airline industry-related workers who had been laid off. Yet we have not done that. Again, we see that this disproportionately affects women.

Also, women only earn 78 percent of men's median income, and women of color earn 64 percent of the wages of working men. As a result, women have a greater need for income replacement when they are unemployed. It is important to note that we are talking about women who are providing a significant portion of the family income, in addition to caring for their children and caring for older adults and all of the other work in which women are involved. For poor female heads of households who work part time, their earnings represent 91 percent of the family income. If they lose their job, we are talking about 91 percent of the family income disappearing. Failure to replace the wages of part-time workers through unemployment insurance benefits determines whether working women and their families are able to stay in their homes or in low-wage jobs.

This is about doing the right thing in stimulating the economy. It is about coming up with ways that support small business, as well as large, and our workers. It is about tax cuts that go to low- and moderate-income people who will put that back into the economy.

Also, this is about making sure we remember the large part of our workforce, our women, who are disproportionately affected by the current unemployment system. It is designed in a way that unfairly penalizes women who are working part time while caring for their children and caring for loved ones at home or working in important but very low-wage jobs.

This debate about stimulating the economy, about economic recovery, is incredibly important for everyone. We need to keep an eye on the fact that the policies we set may, in fact, have different results for working women than for working men, and we need to remember women and their families as we put together this economic recovery package.

I urge we do what is right, what is fair, and most importantly what is effective, what the economists across the country have said we need to do, put money into the pockets of working people and those who are unemployed, and make sure we do not forget our small businesses as part of this economic recovery process.

The PRESIDING OFFICER (Mr. Nelson of Florida). Under the previous order, the Senator from Tennessee is recognized.

Mr. THOMPSON. Mr. President, I want to address some of the issues my distinguished friend from Michigan has been discussing. First of all, not only can we not agree as to what belongs in the stimulus package, we cannot seem to agree about what constitutes, unfortunately, as to what our priorities ought to be. We are a nation at war and in recession. Those ought to be our priorities.

Yet we are talking about railroad retirement, we are talking about farm bills, everything but what we ought to be discussing.

We ought to be talking about the issues my friend from Michigan has raised concerning the stimulus package. I will address that for a few moments myself. There is no doubt for some time now there has been pretty much a consensus on the idea we need a stimulus package. Later on in my remarks I will discuss further whether or not that is really necessarily true. I think there has been a consensus, but there certainly has been no consensus as to what we ought to do about it and what belongs in it.

In fact, there is no consensus as to what in fact stimulates the economy. Everybody has their own ideas. We have our own ideas in this Chamber, and we state them authoritatively. But I think that is the way we do it. Senator Biden. We cannot really say the economists think this or say that. They think everything and they say everything. They are on all sides of all of these issues. So are businesspeople, labor people. Remarkably, economic philosophy seems to somewhat coincide with their vested interest, which is not really different from the rest of us, I suppose. That is the situation we are confronting.

I want to discuss for a moment where we are, examine the validity of the ideas we are using in support of our positions in general terms, and then discuss what we should do about it.

I am for a moment this is not a political issue. One could make that case. There have been a lot of disparaging remarks about certain provisions in the House bill. There certainly have been a lot of disparaging remarks about what came out of the Senate Finance Committee, all the pork and unrelated items, but we can put that aside for a moment. We can put aside the remarks of the former adviser to President Clinton, who in a local publication said it is in the self-interest to defeat a stimulus package or not have one because it might affect the economy negatively and President Bush would get blamed for a negative economy. I do not think that is the way most of my colleagues believe, but those thoughts exist.

Unfortunately, we do spend a little bit too much time in this body talking about how to divide the pie instead of trying to figure out how to make the pie bigger, who is going to get what. There is the tax-cuts-for-the-rich rhetoric, of course, we all have heard, ignoring the fact that 80 percent of the individual tax cuts would go to small business people, 80 percent of the new jobs over the last decade. I must say I find it somewhat ironic that every time we get into the stimulus discussion, we talk about tax breaks for the rich, when the same folks who make those arguments are also promoting a farm bill where 10 percent of the richest people in farming get 61 percent of the benefits. So
tax cuts for the rich are bad, but pork for the rich is good.

Let us set all that aside for a moment, take the political aspects out of it, and talk about the economics of it. Basically, we have two different economic body—two main ones—as to what in fact does stimulate the economy. We each make statements as to what will stimulate it and what will not, but we never provide any authority or any evidence or any historical precedence for what we are saying.

There are four or more proposals now before us: The House bill, the Senate Finance bill, the President’s bill, a compromise that is being worked on; a lot of things in common among all of those bills: Rebates for low-income folks, additional unemployment benefits, health care provisions. We disagree on the amounts of those, but those are pretty much common to all of these proposals, and if a stimulus package is going to pass in there. That is where the similarity breaks down and the division begins.

There is nothing wrong with philosophical divisions. That is why we have elections, and that is why we have parties. Separation is entitled to the opinion, but they are not entitled to their facts or their history. Let us examine which side is supported by history or precedent or facts and which is not.

On our side of the aisle, we basically think that the package ought to be tax cuts for the private sector, working men and women who are carrying the load and paying the taxes, and that includes a speed-up of the reduction of the individual tax rates. That way, people can get not just an extra check in their pocket one time, but they can rely on a tax system that is going to be lower, and they can look at it in the future and base their conduct, whether it is additional work or additional investment, on a tax code that has been changed to their benefit on out into the future, not just a check but a change of policy. That is what we believe.

Our friends on the other side of the aisle basically seem to think the way to stimulate the economy is spending by the Federal Government, and there in lie the differences and the debate. Our friends on the other side of the aisle and some on our side, and many in the economic community, point out we need to get money into the hands of the consumer by means of the Federal Government, which incidentally is money that either has to be borrowed or on which people have to be taxed. That is where the Federal Government gets its money and redistributes it to others in the form of checks which they will immediately spend.

The argument goes, the lower the income level, the more likely they are to spend it. So getting checks into the hands of consumers will stimulate the economy. The problem is there is not any evidence to support that proposition. I know it is often said. It might even be considered to be common wisdom at this stage of the game. But I submit all of the evidence and historical precedent indicate Federal spending programs designed to grow the economy have not proven to be successful.

What are my citations for that? I am accusing other folks of not giving their reasons, historical precedent or evidence. “Thompson, what are your citations?” one might say. I cite studies done by the Joint Economic Committee back in 1968. I cite the 1930s, when in an attempt to ameliorate the effects of the Great Depression, we saw a percentage of the gross domestic product in this country almost triple while unemployment doubled.

I cite the case of Japan. They have been trying to do this for decades—spend themselves into prosperity. They have had 10 separate spending stimulus packages in the 1990s, to no effect. Some of them had similar problems. I ask, if in fact we really run our economy based on an ATM principle, where we have it figured out, that we have to put in our card, our solution, our congressional solution, and out comes the result we want, why do we wait a year anyway? Why do we not print some more money? Why do we not send out some more checks? Why do we ever sustain the average recession of 11 months? Why do we go that long if that is the way the world works? It is an easy one to understand. I submit it is because it has not proven to work.

On the idea the poor will spend more, there is no historical evidence for that either. It might seem logical, but a lot of things that seem logical are not borne out in real practice. The last time we sent checks out, 18 percent of people spent them. According to the presidential adviser, Mr. Hubbard, I was reading the other day he says all the people would spend any stimulus package. He says this is not just an easy one to understand. I submit it is because it has not proven to work.

What about the other side? I have been talking about the philosophy of Federal spending being the answer to the economic downturn on this side of the aisle? As to the idea that the private sector is the source of the solution for recession and that tax cuts, and especially marginal rate cuts, is an integral part of that, what about the evidence for that? I submit the historical evidence to support that proposition is just as clear as the historical evidence that fails to support the Federal Government spending proposition.

The evidence is, those kinds of tax cuts not only grow the economy but they produce more revenue to the Federal Government. President Kennedy pointed out that. He said: It is not a matter of either tax cuts or higher deficits; the more you cut taxes, the more revenue you will generate. Of course, he was right.

Incidentally, the rich pay more as a percentage of the taxes paid when you have the marginal rate tax cuts than beforehand. At every level it is borne out, and especially marginal rate reductions which encourage work, encourage investment, are the kinds of action that get the economy going. Sending someone a check to buy a pair of gym shoes will be momentarily beneficial to somebody, I suppose, but that is not the kind of policy that strengthens our economy or causes that money to recirculate or to be there for a longer period of time.

What is my historical evidence? I refer to the 1920s, the 1960s and the 1980s. During those periods, the country went with that approach. In every instance, we had more economic growth, more revenue to the Federal Government, and the richer paid a higher percentage of the taxes that they paid in terms of dollars. From 1961 to 1968, the economy expanded 42 percent because of President Kennedy’s tax cuts, over 5 percent a year. I would settle for that. We could use a little of that right now.

When you look at the package from the Finance Committee or what is being talked about in the Chamber by my friends on the other side of the aisle, the best I can figure is, only 20 to 25 percent of the possibly $100 billion that has been allocated, and an additional $15 billion in airline support. Certainly, when we hear of economists saying this is a solution, you would not want to include Mr. Green—span in that category. He doesn’t say that spending is the way to do this. He and some others think that that is fast enough to have any effect anyway. In fact, by the time it kicks in, by the time our governmental spending kicks in and the checks get in the mail, are received and spent, even if it works the way we want it to, it will be too late. If the average recession lasts 11 months—and ours started last March—we are going to have to hurry up or the doggone recession will be over before we act and we will not get credit for anything. There is no way we can possibly get anything to the economy by next February or spring. We could assist it if we did exactly the right thing. Is it worth $100 billion under those circumstances, when we cannot agree on the components? I question that.

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The evidence is, those kinds of tax cuts not only grow the economy but they produce more revenue to the Federal Government
We will need that revenue. If we had good reason to believe such an approach that just gave pennies on the dollar to stuff that would be stimulative, and the rest would make us feel good and help us with certain voters in certain segments of the economy and that are all concerned about the unemployed. I am as concerned about unemployed in Tennessee as unemployed in New York. They are all unemployed and all deserve our consideration, and they will under these bills, but they will not stimulate the economy.

We have only begun to assess the costs of what happened in September. We know now almost overnight not only will we have to spend a whole lot more in our defense budget, but we have law enforcement, public health facilities, nuclear facilities, government buildings, Border Patrol, post offices, airports, mass transit. Those are all directly at the feet of the Government and the private sector. We have handling costs, insurance costs, transportation costs. Somebody said it is not that “just in time” philosophy with the average business, it is “just in case” philosophy. That will cost money. Slowing globalization has hit a lot of companies; complete security—all these things cost a lot of money in the public and private sectors. Unless we are very sure what we are doing with $100 billion or $85 billion, we should not do it.

Now the OMB Director says we will be in deficit at least until 2005. If we cannot at least get half of a stimulus package that stimulates the economy, we should not do it. We do not know how long the recession will be. If it is average, we have already bottomed out and are working our way back. Nobody knows for sure. But we do know retail sales are up, unemployment stabilized, low oil prices, and interest rate reductions have put more money into the consumer’s hand faster than the Federal Government could. The stock market is not doing too badly.

We should give ourselves a chance. There is a good argument to be made that we can do the right thing, have policy that stimulates the economy, which is the private sector, and a large portion has to be tax cuts and rate reductions which are tried and true. We can also make some compromises and do some things in terms of spending that are not stimulative but within the bounds of political reality, realizing that has to be part of the package, and have a decent mix and maybe do some good. Anything less than that, I fear, would do harm.

I hope the President draws the line and says something to the effect, if part of this package cannot be stimulative, I will veto it. I think that is a position we ought to take. I don’t think we have been talking about this for so long and the markets are so convinced and they have not sold that this is what we are going to do and it is such a great idea. I don’t think they are paying that much attention to us in that regard. I don’t think that train is down the track that far that we have to pass something, regardless. I will not vote for something “regardless” that is, in the long term interests, detrimental to the economy of this Nation. But it will be unfortunate if we do not do something to something that would be beneficial and come together on something that would be beneficial.

I still hope we will be able to do that because I think that would be the best solution for the economy and for the Nation.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CORZINE. Mr. President, I wonder if the senior Senator, the distinguished Senator from Tennessee, would respond to a question.

Mr. THOMPSON. Yes.

Mr. CORZINE. I wonder if the Senator is familiar with the Federal Reserve’s view of how they model or look at the economy, and how tax cuts and spending cuts work through the economy. We just had a Joint Economic Committee meeting yesterday in preparation for that. We went back and looked at the Federal Reserve’s models which are based on statistics and observations through time.

When you were commenting earlier, I thought it would be worthwhile if I mentioned that, at least according to the Federal Reserve, spending has a multiplier effect of 1.4 times in the first year relative to tax cuts, which have about a half of 1 percent impact in the first year.

Sometimes when you drag those out over a longer period, you catch up with the benefits of taxes, depending on the nature of them. But there is solid evidence in the economic community, and I think among the Federal Reserve, that spending can have and often does have meaningful multiplier effects on the economy. That is why so many people would argue, and I think they would argue based on fact, or at least data, that there is reason to believe that spending does have a positive impact on the economy.

Mr. THOMPSON. I will respond to my friend that I do not doubt that. I do not know the details of how they do that. I am aware that they do it. I do not doubt, as I have indicated, some people, going down and getting a check and buying some goods has some effect; that a lot of people doing that might not have some effect.

I think the difference has to do with short term versus long term. The history I have read on the subject concerning a concerted effort by the Government, with Federal spending programs over a period of time—whether it be the United States in the 1930s, or Japan for the last decade—has not produced convincing evidence not brought about growth. So we might be talking about the difference between microeconomics and macroeconomics. I am not sure. I do not dispute the statistic that the Senator gave, but I think the studies that were done from the Joint Economic Committee back in 1998 is the other side of that coin.

Mr. CORZINE. Would the Senator comment on whether he believes unemployment benefits tend to get expended or not in the process of going to people who have lost their jobs? Do you think that goes to savings? Is that what I am reading you to say?

Mr. THOMPSON. No. I think you can assume in most cases, if you are talking about that very small part of the economy that has to do with unemployment benefits, that those checks probably are spent.

My concern, I suppose, is that if you expand that concept, then why not send everybody a check. A lot of people laughed at Senator McGovern several years ago—what was the size of the check? It was about $1000? Why not extrapolate that concept, if the concept is the solution?

I think there is some factual validity to what you are saying. But I am saying if you expand that concept in terms of the overall economy, the evidence is not there to support it.

If it is that simple, if that is the solution, why do we ever put up with a recession? When we first see one, why don’t we decide to whom we want to send the checks and get it over with and the economy will bounce back?

Mr. CORZINE. I appreciate the remarks of the distinguished Senator. I think there really is—the point that I was trying to make—some evidence that spending does have meaningful impact on the growth of the economy. I will make sure I send you over a copy of the Federal Reserve Bulletin’s comment on this so you can get a sense of that. This is about that.

Mr. DASCHLE. Mr. President, I ask unanimous consent the recess be postponed until 1 o'clock.

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

Mr. DASCHLE. Mr. President, 5 months ago, America had a projected budget surplus of $2.7 trillion over the next 10 years. The stock market was soaring. The question before us was one that most leaders could only dream of: “What should be we with out prosperity?”

At that time, we came to this floor to debate our Nation’s fiscal future—how could we sustain that hard-won prosperity, meet our great needs, and, yes, provide meaningful tax relief for millions of American families.

Democrats put forward a balanced plan that maintained our fiscal discipline while at the same time providing sound investments in our children, our health, and our security, and provide tax relief.

Because we recognized how fragile and inaccurate budget projections are, we left room to deal with an economic downturn or an unforeseen emergency.

Unfortunately, our approach was not the one that prevailed.
Instead of a balanced and fiscally responsible plan, we ended up with one so top-heavy with tax cuts, it left little room for other investments, and no flexibility for a change in circumstances. I make no secret of the fact that I was unhappy with that debate, and its outcome. But based on the administration’s predictions—and assurances—that we could afford such cuts without running into deficits or shortchanging our priorities, the majority of my colleagues voted for it.

Early this morning, just several months after receiving those assurances, and several months into the administration’s 10-year plan, we now learn that the White House budget director is predicting that our government is likely to run budget deficits until 2005. This is a stark reversal from the situation this administration inherited less than a year ago.

This is a major departure from the rosy predictions we were being offered just months ago. So, how did this happen? Let’s start with how it did not happen.

As the attacks of September 11 attacks impact our lives, our security, and our economy—they are not responsible for the fiscal situation in which we now find ourselves.

Neither does our current situation have to do with congressional spending.

We have not spent a dollar more than what the President and the Congress agreed to, either in the course of the normal appropriations process, or in response to the events of September 11—not a dollar.

Although we have taken a great deal of action in the aftermath of those attacks—supporting the President’s use of force in Afghanistan, keeping the airlines solvent, giving law enforcement additional tools to combat terrorism, and strengthening airport security—date, we have actually spent less than $40 billion. So why are we now facing deficits when just months ago we were looking at years of surpluses?

Regrettably, what we feared then is what we are faced with now. The economic plan that was passed ate up nearly two-thirds of what was an optimistic prediction of our 10-year surplus. It left no room for an economic slowdown, or an unanticipated emergency.

As Robert Reichsauer, the former Director of the nonpartisan Congressional Budget Office said:

Had we not had the tax cut, it’s likely that we would have skated along with close to a balanced budget. But the costs of the war and the effort to contain terrorism.

Even more ominously, the administration warned that decisions about taxes and spending in the next year “will determine whether we ever see another surplus.”

Despite the fact that some of us did not approve of the plan that got us here, all of us should now work together to make sure that we pass an economic recovery plan that helps rather than exacerbates—the problem.

As we consider a package to stimulate the economy, we need to be extremely careful to pursue a policy that is temporary, truly stimulative, and now more than ever—fiscally responsible.

As I look at the Republican proposals, I am disappointed to see that they are based on tax cuts that fail these simple yet essential tests, and they do little or nothing for the dislocated workers who most need our help.

In the weeks since September 11, Democrats and Republicans have been able to work together in a way that I haven’t seen in all my time in Washington.

Our ability to speak together and work together is one of the reasons, I believe, we have been able do so much, so quickly, in response to the attacks and the terrorist threat. The fiscal outlook we are now facing is as serious as anything we have faced to date.

We need to renew that same spirit, if we are to address this problem as well.

I appreciate the opportunity to come to the floor because I do fear with these economic projections—we have said on several occasions we knew the real possibility existed—that we will revert right back to the bad old days of deficits and huge new debt. I never dreamed this would happen so soon. I never dreamed we would be talking in the third quarter—now the fourth quarter of this calendar year and the first quarter of the new fiscal year—that we would have deficits well into the third year beyond this year.

That ought to be as strong an indication as we ever need that what we did last spring was a mistake; that what we did in economic policy with the passage of that tax cut was a disaster, not only for our economy but for our ability now to respond to the array of challenges we face in the aftermath of the crisis of September 11.

How sad it is that the legacy of the 18 years did not last longer than a few months. I am very hopeful we will take to heart the admonition of the Budget Committee chairman who has asked every Member of our Senate body to look very carefully at the report made by the OMB Director, to look at it with the recognition that, as we face an array of additional challenges, whether it is the economic stimulus plan or the array of other challenges we face as we meet the needs of our current situation in fighting terrorism, that we do so prudently and with the recognition that a major mistake was made last spring.

I yield the floor.
From among all these ideas, we must put together a balanced, reasonable package.

In the end, the stimulus package needs to promote business investment, spur consumer demand, and assist those Americans who have lost their livelihoods during this recession.

 Shortly before Thanksgiving, Senator Domenici, with the support of my colleague from Missouri, Senator Bond, added a new and interesting idea to the debate. They suggested that Congress should provide a payroll tax holiday for the month of December. This idea has some merit. It would distribute benefits across a broad range of taxpayers, including most individuals who earn less than $50,000 a year. And it would provide needed cash to businesses based on the size of their payrolls.

However, the question remains: How does this new idea fit into the overall stimulus debate?

It has been suggested that a payroll tax holiday could substitute for proposed rebate checks to low-income workers.

I have serious reservations about such a trade-off.

 Rebate checks of $300 would go to low-income workers who have not yet received any tax refund this year.

Let me give you an example.

A single mother working full time at a minimum wage job would probably be eligible for a rebate check. This money could help her put food on the table, or cover the rent, or keep her old car going a few months more.

However, under the Social Security tax holiday, she would receive about $50 worth of tax relief—not enough to make a real difference.

That is not a fair trade.

I am sure that the single mother who is struggling to make ends meet would not consider that a good deal.

The additional cash infused into virtually all businesses. It would help our small businesses, the true engine of our economy. The size of the tax benefit is linked directly to the wages the company is paying to its employees. This tax cut would make it easier for businesses to keep workers on their payrolls, and that is the whole goal of this stimulus package, to keep America working.

Congress ought to act quickly to reinvest in our country. In order to do so, we must be willing to compromise. While I may not think that a payroll tax holiday is the perfect way to stimulate our economy, I understand compromise is needed. And I am willing to support Senator Domenici’s proposal, if it is offered in place of these other tax cuts that are unpalatable to me.

This is a compromise that makes sense to me. It makes sense to that single mother who is trying to make ends meet. It makes sense to most businesses which would not benefit from a repeal of the corporate AMT. And it makes basic sense, based on the principles that were laid out by the House and Senate Budget Committees at the beginning of this year, that the effects of the stimulus be temporary, immediate, and focused on those most likely to spend the investment.

I hope my colleagues will join me in support of this sensible compromise. Thank you, Mr. President.

Mr. DAYTON. Mr. President, during the last few weeks we have all heard about and discussed many ideas and proposals for inclusion in the economic stimulus legislation. In fact, one of our difficulties is we have so many meritorious proposals that we could not possibly fit them all in, even if we could all agree on them.

One proposal of which I have heard recently, and one I believe may have merit, deals with tax provisions which apply to many families and small businesses now struggling to make ends meet. The entire payroll tax holiday would be paid to low-income workers who earn less than $80,000 a year. And it would benefit a much greater number of workers. In short, the payroll tax holiday meets our basic principles for stimulus and accelerating rate cuts simply does not.

Now I will discuss the impact of my suggestion on corporations. The House-passed stimulus bill and the proposal made by Senator Grassley would repeal the corporate alternative minimum tax. Elimination of this tax would cost approximately $25 billion next year.

Let’s be clear. This is a tax paid by profitable corporations that would otherwise pay no tax at all. By contrast, a payroll tax holiday would benefit all corporations.

Under current law, corporations pay a Social Security payroll tax equal to 6.2 percent of each employee’s income up to $80,400 per year. With a payroll tax holiday for the month of December, these businesses would save $19 billion.

In other words, every worker who has received any tax refund this year.

In all, over the next 10 years the accelerated tax cuts could cost $78 billion. But only the money put into workers’ hands now can stimulate the economy. The payroll tax holiday would inject more money into the economy now. It would cost less in the long run than accelerating rate cuts. And it would benefit a much greater number of workers. In short, the payroll tax holiday meets our basic principles for stimulus and accelerating rate cuts simply does not.

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Their abilities to do so have been long-standing concerns of Republican and Democratic Members of this Senate body for many years.

When I worked as a legislative assistant in 1975 and 1976 for one of Minnesota's former Senators, Zell Miller Mondale, one of my areas of responsibility was to staff him on the Senate Small Business Committee. The committee operated then, as I understand it does now, largely in the spirit of bipartisanship to help encourage small business and assist in the creation and growth of as many American businesses as possible.

This proposal presents us with an important opportunity to take another step in that direction.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes 39 seconds remaining.

Mr. DAYTON. I thank the Chair. Mr. President, I also wish to express my whole possible support of the Railroad Retirement and Survivors’ Improvement Act of 2001. I would like to thank Senator BAUCUS and Senator HATCH for offering this important legislation.

My office has received hundreds of calls and letters from current and retired railroad employees. From St. Paul to St. Cloud, from Brainerd to Duluth—from everywhere in Minnesota—railroad retirees and current railroad employees understand the critical need to pass this legislation now.

My very good friend Tom Dwyer, originally from Hibbing, MN, has been working on railroad retirement issues since 1973. He also was a clerk for different railroad companies for 35 years until he retired in 1997. Tom is now the legislative director for the National Association of Retired and Veteran Railroad Employees.

Advocating for retired railroad workers, widows, and widowers is Tom’s life work. He reminds me that this debate is not over Government money. This bill is about the pensions that workers have paid into this fund. It is their money.

Throughout our country, there are 673,000 railroad retirees and families and about 245,000 active rail workers. Minnesota’s Eighth Congressional District, up in the northeastern part of our State, ranks 10th in the Nation in the number of retired and active railroad employees. Throughout our State there are over 18,000 retirees and their families depending on railroad retirement benefits.

In addition, over 5,500 Minnesotans are presently working for the railroads. They will eventually need pensions for their retirements.

All of these fine men and women have worked hard, and they all deserve the best possible retirement program. They know better than we what kind of retirement is best for them. They paid in the money, out of their paychecks, for all their working years, and all they are asking us to do now, by passing this legislation, is to return to them their money in a way that is best for them.

What could be controversial about that? Which one of us, if we were in their shoes, would not want the same security and they do. They are right. And they do deserve it.

This bipartisan legislation presents a historic opportunity for our Nation’s railroad retirement system. Senator HATCH and Senator BAUCUS have devoted tremendous credit, and they have my gratitude, for bringing together railroad companies, labor organizations, and retirees to work together to modernize this system. The result of all of that hard work is this legislation, which provides better and more secure benefits, and which does so at a lower cost. What could be better than that?

I say, let’s vote on this bill today and pass it.

I thank the Chair.

The PRESIDING OFFICER. The SENATOR FROM RHODE ISLAND is recognized.

Mr. REED. Thank you, Mr. President. I ask unanimous consent that, at the conclusion of my remarks, Senator GREGG be recognized for 10 minutes, and upon the conclusion of his remarks, that I stand in recess under the previous order.

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

Mr. REED. Mr. President, I am privileged to serve as the vice chairman of the Joint Economic Committee. The Democratic staff of the Joint Economic Committee issued a very pressing report about America’s economy. I would like to read from the first paragraph of the Executive Summary.

New reports from the Bush Administration’s Office of Management and Budget and the Congressional Budget Office confirm that the combination of the large tax cut and the worsened economic situation have essentially eliminated any expected on-budget surplus for the next five years. Indeed, we are growing concerned that the government’s fiscal position could be even worse, with no surplus at all by the end of the decade and with a national debt that might be even higher in ten years than it is now.

What is particularly prescient about this report is the fact that it was not issued this morning, hours after Mr. Daniels of OMB declared that the fiscal policies of this administration have locked this Government into deficits for the next several years. This report was issued on September 7, 2001.

It is also worth noting that this report suggests very strongly, prior to the attack on America on September 11, that the fiscal policies of this administration had headed us down a road to deficit after deficit after deficit.

The attack on September 11 was a dreadful assault on this country, but it is not the cause of the current deficit we are staring at over the next several years. The attack was the time bomb, but the fundamental core was the irresponsible tax policies of this administration.

If we look across several years, we see a situation where our colleagues on the other side resisted, in 1993, President Clinton’s plan, which mercifully passed by a very narrow margin, which set the fiscal context, together with the spending policy, for the gargantuan size of the deficit and any potential for the irresponsible tax policies of the new Bush administration.

Economic consequences of this tax cut policy, without any offsetting benefits, which are expensive inherently, but if we are not to repeat the mistakes that were made previously in the area of Southwest Asia. We have to maintain a presence there. We have to be one of the international participants to help in the reconstruction of Afghanistan. We have to take steps across the globe to eliminate other terrorist threats, sometimes more sinister than the dreadful events we saw in New York.

We have to recognize there are loose nuclear materials around the world, particularly in Russia, loose biological agents around the world. All of these things will cost money. And the war on terror will not end simply with the defeat of al-Qaeda. It will continue, an ongoing battle, perhaps akin to the Cold War—increased expenditures now, because of this tax cut policy, without the benefit of a surplus.

There is something else we must recognize. We are looking at short-run economic consequences of this tax policy. But what is going to happen in the next several months and years and years ahead is that the administration’s response will be, if we don’t shun funding defense. We will have to cut back in every other area of effort.

The key to our long-run economic prosperity is the productivity of America. That productivity is not simply measured in the gross domestic product. It is human capital. It is healthy, educated Americans who can use these tools, who can invent new tools, who can continue this growth. When we cut education and when we refuse to fund special education and when we go ahead and cut back on health care and we do all these things, we are harming our long-run productivity.
That is the dilemma we are in today. It is a dilemma that was entirely avoidable by a more responsible fiscal policy of this administration.

There is no surprise about Mr. Daniels’ announcement yesterday. Perhaps the only shock, if you will, was the timing. It is not, however, if we had passed this tax cut. Now as we go forward, we are seeing the consequences. Those consequences will be very difficult to bear. What is worse than that, our colleagues are compounding this terrible mistake by advancing the same policies in the guise of a stimulus package: Accelerating marginal tax cuts further and proposing corporate AMT that is retroactive. That is not going to get this economy moving. That will simply make the hole we are in much, much deeper and the climb out much steeper and longer and harder, particularly for working Americans.

Again, there should be no surprise about Mr. Daniels’ announcement, but there should be surprise, shock, and perhaps even anger that having brought us down this path, they refuse to see the error of their ways. They refuse to recognize that, yes, we do need a stimulus package but one that in working collectively with the leaders in the House and in the Senate to script and craft a fiscal package that will move America forward, we will begin our slow climb out of this deficit situation. But there should be no confusion about the fundamental cause of our current economic situation—a precipitous collapse from surpluses to deficits. It was an unwise, irresponsible tax plan promoted and proposed by the President and regrettably accepted by this Congress.

I hope yesterday’s announcement represents not just waking up to the reality of their policies but changing the policies, that in working collectively with the leaders in the House and in the Senate to script and craft a fiscal package that will move America forward, we will begin our slow climb out of this deficit situation. But there should be no confusion about the fundamental cause of our current economic situation—a precipitous collapse from surpluses to deficits. It was an unwise, irresponsible tax plan promoted and proposed by the President and regrettably accepted by this Congress.

I hope the savoring news that Mr. Daniels gave us yesterday will provide something more than heat, that will provide a little illumination to those who seek to lead this country.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from New Hampshire is recognized for 10 minutes.

NOMINATIONS

Mr. GREGG. Mr. President, I come to the floor to talk about one of the problems we have had over the last few months, which is a failure of the majority party to address the issue of nominations sent up by the President. This failure has been most blatant, of course, in the area of judicial nominations where we now have well over 100 openings in the judiciary which have not been filled, which is an extraordinary number, especially when you put it in context of the prior administration. It is almost 100 percent larger than what the prior administration experienced under anything to the contrary.

There are also independent of the judiciary nominations, a number of other nominations critical to the operation of the Government which are being held up by the majority party.

I rise to talk about one specifically. That is the nomination of Eugene Scalia to be the solicitor of the Department of Labor. Most people have never heard of the term or the individual solicitor of the Department of Labor. It is, however, a significant position within a significant department. It is the fair arbiter of the laws within the Labor Department. It is the place at which the Government represents its cases, the individual who carries forward a great deal of the policy that has been set forth by the Congress and the Executive.

Why is Mr. Scalia not being brought to the floor? First off, you have to understand that it is not because the nomination has now been pending for 213 days. That is the longest period of time that any nomination has been pending around this body. Ironically, I think the reason it is not being brought forward is that it is tied to something that occurred 351 days ago, and that was the case of Gore v. Bush, or Bush v. Gore—the issue settled in the Supreme Court as to how the Florida law would be applied and the prior election, therefore, resolved. You see, Eugene Scalia, through family ties, appears to be tied to that case by the majority in the Senate.

There is a lot of frustration about that case on the other side of the aisle. Many of my colleagues, with great energy, believe it was decided the wrong way. Many have taken it personally. I suspect. Obviously, they have taken it personally because they are applying it personally in the case of Eugene Scalia, a relative to one of the decision-makers in that process—of course, Justice Anthony Scalia—and who was one of the majority in the decision of Bush v. Gore. Well, Eugene Scalia is his son.

So we now have a scenario where the son has come up for a nomination to serve in the Government. I suppose you can argue, well, maybe he is not being approved because he was sent up quickly. I pointed out it was 313 days ago. You may argue he is not qualified. Actually, he is extraordinarily well qualified. He is one of the finest attorneys in the area of labor law in the country. In fact, five former Solicitors General of the Department of Labor have said he is unquestionably an extraordinarily qualified individual. To quote them, they say:

We are unaware of any prior solicitor nominee with his combination of academic accomplishment, prolific writing on labor and employment matters, and many years of practice as a labor and employment lawyer.

That is five prior Solicitors of the Department. They have said this is a great nomination. It is not because he has attorneys in our Nation’s history, said Eugene Scalia would be among the best lawyers who have ever held the important position—the position of Solicitor of the Department of Labor. He went on to say:

Eugene Scalia is a bright, sophisticated lawyer whose writings are well within the mainstream of ideas.

So he is not being attacked because he doesn’t have the ability. He has all the ability you could possibly want. In fact, it is great that we can attract people of his talent and capability to public service. No, Eugene Scalia—Scalia the younger—is being attacked because of Scalia the elder. You might say, well, maybe he came up too quickly. We pointed out that isn’t right.

Maybe he doesn’t qualify. That is not true either.

Maybe he holds outrageous opinions. Actually, during the hearing process, the only significant attack made on his writings was a disagreement over his position on the ergonomics rule put forward by OSHA, so he was aggressively attacked during the hearings—not personally but on that issue relative to policy.

Well, that is OK. You can disagree with him on that policy point, but you have to acknowledge that on that policy point he agreed with the majority of the Congress. The Congress found the regulation that was put forward by OSHA to be too officious, bureaucratic, counterproductive, and we—the Senate and the House of Representatives—threw the regulation out.

In my experience in the Congress, that has only occurred once or twice. We as a Congress actually rejected the regulation of OSHA on the issue of ergonomics, confirming the arguments that the younger Mr. Scalia had made on that issue.

So it is pretty hard to come to the floor with a straight face and say this man should not be confirmed as Solicitor of the Department of Labor because he took a position on ergonomics, when that position was consistent with the position taken by the Congress earlier this Eugene Scalia committed the “cardinal sin” of opposing the ergonomics rule as put forward by OSHA, so he was aggressively attacked during the hearings—not personally but on that issue relative to policy.

No, regrettably, the younger Scalia is being held hostage because of attitudes toward the elder Scalia. That isn’t the way we should govern. We should not prejudice an individual because of their race, their ethnic background, their gender, and we certainly should not prejudice an individual because they happen to be the son of an
individual who some people do not agree with and who feel antipathy towards.

Eugene Scalia’s nomination should be brought to the floor of this Senate. If people want to vote against him, that is their right. Then if he is defeated on the floor of the Senate, so be it. But let’s not shuttle him off and hold him hostage to try to make a point to his father. That is not right and that is what is being done by the leadership of this Senate at this time.

Mr. President, I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 3:30 p.m.

Thereupon, the Senate, at 1:17 p.m. recessed until 3:31 p.m. and reassembled when called to order by the Presiding Officer (Mr. CARPER).

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The assistant majority leader.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate be in a period for morning business from now until 4:30 p.m., that the time be divided equally, and that at 4:30 the Senate go in recess subject to the call of the Chair.

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

Mr. REID. Mr. President, I ask unanimous consent that any time that is used be charged against the 30 hours under postcloture.

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

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I ask unanimous consent to be recognized for 15 minutes.

The PRESIDING OFFICER. The Senator is recognized.

PROUD NEW YORKERS

Mr. SCHUMER. Mr. President, I thank all of my colleagues for their understanding for my State and my city of New York over the last 2 months. I particularly thank the majority leader, the Senator from South Dakota; the majority whip, the Senator from Nevada; the Senator from Montana, Mr. BAUCUS, chairman of the Finance Committee; and the chairman of the Appropriations Committee, Senator BYRD; as well as all of our Senate colleagues for being there for New York in its greatest hour of need.

I spoke with the mayor of New York this morning, and we were commenting to one another about what amazing fortitude New Yorkers have. The spirits are high. The desire grows to stay the course and rebuild our city and make it greater than ever before. The desire of New Yorkers to stay in New York, if one looks at the poll numbers, is higher than ever before. The number of people when asked if they expect to be living in New York 5 years from now increased since September 11. We know all about the bravery of the firefighters and the police officers and the rescue workers, but maybe we do not know enough about the fortitude that the people of New York City and the metropolitan area of New York have. They are brave people.

As New Yorkers, we come from all over the globe. New York takes us and shapes us; 37.5 million people, we care about and we understand for my State and my city thank all of my colleagues for their un

Mr. President, I yield the floor.

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

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

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

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The PRESIDING OFFICER. The Senator is recognized.

PROUD NEW YORKERS

Mr. SCHUMER. Mr. President, I thank all of my colleagues for their understanding for my State and my city of New York over the last 2 months. I particularly thank the majority leader, the Senator from South Dakota; the majority whip, the Senator from Nevada; the Senator from Montana, Mr. BAUCUS, chairman of the Finance Committee; and the chairman of the Appropriations Committee, Senator BYRD; as well as all of our Senate colleagues for being there for New York in its greatest hour of need.

I spoke with the mayor of New York this morning, and we were commenting to one another about what amazing fortitude New Yorkers have. The spirits are high. The desire grows to stay the course and rebuild our city and make it greater than ever before. The desire of New Yorkers to stay in New York, if one looks at the poll numbers, is higher than ever before. The number of people when asked if they expect to be living in New York 5 years from now increased since September 11. We know all about the bravery of the firefighters and the police officers and the rescue workers, but maybe we do not know enough about the fortitude that the people of New York City and the metropolitan area of New York have. They are brave people.

As New Yorkers, we come from all over the globe. New York takes us and shapes us; 37.5 million people, we care about and we understand for my State and my city thank all of my colleagues for their un

Mr. President, I yield the floor.

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

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

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

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have a stimulus package. I remind my colleagues how much we need that part of the package that went for New York to remain in the package. The provisions in it are designed to counter the uncertainty and fear we believe may lead many companies to walk away from New York. If we do not do it now, it will be too late.

Company after company, the large ones, the small ones, are making their decisions over the next few months as to why they stay in lower Manhattan and in New York City or whether they leave. Once they decide to leave, we can be as generous as we want, but come next spring it won’t do any good. Their leases will have been signed, their decisions will have been made.

There is urgency to do this now. It is not related to the FEMA spending or even the extra help in some of the appropriations measures that we have asked of the Appropriations Committee. Senator Byrd has been extremely generous to Senator Clinton and myself. We have been in constant conversation with him. But this relates to tax cuts. This relates to keeping the businesses in New York City and the hundreds of small businesses that are part of the small business community in New York City. This is not a single aspect of it. The provision is designed to take business from another part of the country. We want to just keep what we had, what bin Laden and al-Qaida tried to take away from us.

The provisions are designed very carefully, not more, not overly generous but just enough—to keep the businesses in New York.

I am not making a humble plea. There are many, many needs and many, many conflicts embodied in the stimulus package. We need your help. I have tried in my few years as Senator to be generous.

I have tried in my years here to respond when other areas of the country needed help. I did not do it thinking New York would. We do not have the kinds of natural disasters we are accustomed to seeing in other parts of the country. But when I heard about and read about the earthquake in California, the hurricane in Florida, the floods in North Dakota and North Carolina, I knew they needed help. Now, after deserting one way, we were hit by, not a natural disaster but one very real. We need your help.

I thank Chairman Baucus. These provisions for New York he championed, not because of political considerations but because it was the right thing. He has done the right thing. I believe the Nation, with his stimulus bill which will also extend unemployment and COBRA to hard-working Americans, is the right thing to do. I thank Senator Daschle who has stood with us through thick and thin. Among all my colleagues I have hardly heard a word of dissent. There was tremendous sympathy.

At our Thanksgiving table this year, we closed our eyes and had some moments of silence as we thought of the thousands and thousands of New York families who, that same day, were having their Thanksgiving dinners—their turkeys and their cranberry sauce and pies, but at whose tables there was an empty seat. Someone wasn’t there who had been there for all the previous Thanksgivings. That person will never come back. Those families’ hearts will remain broken for the rest of their lives.

We remember them. We think of them. But when we talk to the families who have survived, they tell us: Rebuild New York. Don’t let those deaths be in vain. Don’t let Mr. bin Laden and his evil band succeed in permanently hurting our country and our city. This is a mission. It is a mission to rebuild New York. It is a mission to reeducate the American people in the need to rebuild the city, the New York metropolitan area who lost their lives. We hope and we pray that all of you will join us in this effort.

Mr. NELSON of Nebraska. Mr. President, I rise today in support of the Railroad Retirement and Survivors’ Improvement Act of 2001.

For years, our Nation’s railroad workers have played a vital role in commerce and transportation around this country, and it is my belief and hope that America will benefit from their hard work for years to come.

This bill is designed to strengthen the Railroad Retirement System and ensure that these men and women who have helped build, run, and maintain our railroads, have adequate resources to care for themselves and their families when they finally complete their years of hard labor.

The current system, which has been around for over 65 years, currently serves more than 690,000 retirees and their family members, and more than 245,000 active employees.

Because the Railroad Retirement System, unlike other industry pension plans, is funded by payroll taxes on employees, it is easy to see why this program, that pays retirement benefits to almost three times as many people as there are paying for those benefits, is in desperate need of reform.

Most Americans are concerned about the future of Social Security for similar reasons—because the number of retirees in America will greatly increase in the coming years as baby boomers retire. Well, the problem for Railroad Retirement is here and now, and so is the right time for a commonsense solution.

Railroad Retirement has always been restricted to investing only in government securities, and while this may have been a good policy 65 years ago, it does not make sense in today’s economy.

Because of this policy, the system’s annual average investment return has been far lower than that of private mutliemployer pension plans.

This bill would solve that problem by allowing Railroad Retirement to be operated more like a private pension plan, by establishing a private trust in which assets of the system can be invested in various ways, including private securities.

Moreover, the legislation would shift greater responsibility to the railroad
industry, and away from the government, to ensure adequate funding of the system.

Better financing means enhanced returns to provide for an improved benefit structure for Railroad Retirement beneficiaries.

These benefits would include a lowering of the incredibly high payroll taxes currently paid by railroad workers and employers; a lowering of the retirement age for those with 30 years of service to age 60; reducing the vesting period of the system from 10 years to 5; and improving the benefits paid to widows and widowers.

All of these improved benefits are desirable reforms, and they can be achieved without compromising the solvency of the system, which the Railroad Retirement Board’s actuary has projected out to 75 years under this legislation.

Because this legislation is the right solution at the right time, it has received overwhelming bipartisan support in both Houses of Congress.

Last year, when the bill was first introduced, it was approved on the floor of the House by a vote of 391–25, and had the support of 80 Members in the Senate. However, after it was reported favorably by the Finance Committee, it never made it to the Senate floor.

After its reintroduction in the current Congress, the bill has again been approved by a landslide on the floor of the House, and now awaits action here in the Senate, where it has enjoyed the support of 74 cosponsors.

I urge your continued support of this legislation, and speedy passage of the reform that railroad workers and their families throughout this country so badly deserve.

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

The PRESIDING OFFICER (Mr. JOHNSON). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THOMAS. 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. THOMAS. Mr. President, I ask unanimous consent to speak in morning business for 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

THE SENATE AGENDA

Mr. THOMAS. Mr. President, we are hopefully working down to the end of this session. We have completed most of the things that we need to do. We need now to focus on those remaining items that I think are imperative for us to complete. Obviously, there are lots of things that could be done. The fact is, we have spent an extraordinary amount of money. We are going to exceed the budget by about $50 billion in addition to that. I agree that it should indeed be spent for those things. We are in an emergency situation with the terrorists. We are in an emergency situation with the economy.

The two things I believe we have to do are, No. 1, finish our appropriations. We are moving along. The House passed one of the difficult bills yesterday. We will now undertake to do Defense appropriations. There are about four more with which we need to deal.

Then we need to finish a stimulus package. The President has called upon the Senate to pass a responsible economic stimulus bill.

It is difficult to identify what will have a short-term impact on the economy. Our economy is much lower than we would like. Indeed, as has been said, we are in a recession. But we need to do something that will have some impact.

The President has suggested a package that would extend unemployment benefits for 13 weeks for Americans who lost their jobs as a result of terrorist attacks; making $11 billion available to low-income people to obtain health insurance in a manner such that the system would not become mandatory in the future; $3 billion in special energy emergency grants to help displaced workers that has to do with health care coverage.

Then, of course, the other portion has to do with helping create jobs, which, after all, is really the result we would like. We would like to help people without a job. Most importantly, we provide encouragement to companies and corporations by accelerating depreciation so they will invest in new material; partial expensing to encourage the purchasing of new equipment; and also have payments for low-income workers and get the money in their hands so we can see increased purchasing.

Those are things on which I hope we focus. I know we are talking about agricultural workers talking about railroad retirement. They need to be completed. But there is a question of whether they need to be completed now with this emergency. We really need to evaluate the money. We have already made available $12 billion in new spending for many of the things we talked about. The President and the administration determine where it will go.

I am hopeful that we can focus in the relatively short time that we have left. I am pleased that we seem to be making progress in terms of the economic stimulus. The bill that came out of the committee was not a bipartisan bill. We did not work on it from both sides. Now we have a House bill that is somewhat different. We have a Democratic bill that is somewhat different. The President’s bill is somewhat different. Of course, we need to find a reasonable agreement among those groups to come up with something that works. I certainly believe that we will do that.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I ask unanimous consent that it be in order for me to make my remarks while seated at my desk.

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

Mr. HELMS. I thank the Chair.

THE NORTH SHORE ROAD MUST BE COMPLETED

Mr. HELMS. Mr. President, for some time I have felt inclined to discuss in the Senate a matter for the Record and of importance to the people living in the far western counties of North Carolina and in the beautiful mountainous adjacent to the Tennessee border.

The matter involved is the federal government’s finally fulfilling after a fashion a commitment made in 1943 in writing by the U.S. Government to the people of Swain County, the federal government proposed to build a road along the north shore of Fontana Lake which was created in World War II to provide power to the TVA. This written commitment was made to citizens who voluntarily gave up their homes to support the U.S.’s World War II defense efforts.

The federal government has not yet fulfilled its commitment, and that has caused a great deal of resentment and mistrust of the government among the citizens of Swain County and other surrounding counties on the North Carolina side of the Great Smoky Mountains National Park.

CITIZENS UNDERSITANDABLY BELIEVE THAT THE FEDERAL GOVERNMENT SHOULD NOW LIVE UP TO ITS COMMITMENT MADE DURING WORLD WAR II BECAUSE THESE PEOPLE GAVE UP THEIR HOMES IN ORDER THAT Fontana Lake could be built so that power could be generated by TVA.

But, there has been a curious development. A small group of citizens in Swain County now proposes to ask that the federal government buy them out, thereby voiding that federal government’s written commitment made in 1943. They presented the proposal that they be voluntarily given up to the federal government, and the commissioner rejected this suggestion.

So as a result of the $16 million appropriation in the fiscal year 2001 Department of Transportation and Related Agencies Appropriations Bill, this project has at long last begun to move. The National Park Service and the Federal Highway Administration have restarted this process to complete that road as promised, in writing, in 1943 to the citizens of Swain County and western North Carolina.

Mr. President, I have a letter in hand, along with the text of the resolution adopted by the Swain County Commissioners which expresses their thanks for the $16 million that provided for continued road construction and to engender the confidence that the federal government would fulfill its commitment.

So as a result, the $16 million that was approved in the fiscal year 2001 Transportation and Related Agencies Appropriations Bill, the Swain County Commissioners receive, the project has at last begun to move. It is this that I wish to emphasize today.
The commissioners of Swain County want that road completed. The people of Swain County want that road completed.

Mr. President, I ask unanimous consent that the aforementioned letter and resolution be printed in the Record, following which I shall resume my remarks.

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

SWAIN COUNTY BOARD OF COMMISSIONERS
STATEMENT REGARDING THE APPROPRIATION OF
S$12,887.00 FOR CONSTRUCTION OF THE NORTH SHORE ROAD

The Swain County Board of Commissioners would like to thank Senator Jesse Helms, Congressman Charles Taylor, and President Bill Clinton for making available from the Highway Trust Fund for Swain County $12,887.00 for construction of and improvements to the North Shore Road in Swain County North Carolina.

With the completion of this road, the federal government will have fulfilled their commitment in 1943 to the citizens of Swain County and the federal government. We feel this appropriation will go a long way in helping Swain County.

Mr. HELMS. Mr. President, roads in national parks are vital pieces of economic infrastructure that fuel the engines of economic growth. In fact, the National Park Service itself recognizes as much on its Web site. Let me quote: “Recreation travel accounts for 20 percent of travel in the United States. Park roads are a vital part of America’s transportation network, providing economic opportunity and growth in rural regions of the country. In addition to the park access, motor tourism has created viable gateway communities en route. In some areas entire economies are based on park road access. Examples include communities near Yellowstone, Glacier, and Great Smoky Mountains National Parks, and the Blue Ridge Parkway.”

Why on Earth, then, are these economic benefits denied to the people living in the counties on the North Carolina side of the Great Smoky Mountains National Park? I will tell you why. The Department of the Interior and the National Park Service have been held hostage by self-proclaimed environmentalists and their sympathizers in the Interior Department who are holding hostage the federal government by their predicted apprehension that environmental Armageddon will somehow result from the construction of a simple “two-lane dustless road,” as specifically called for in the 1943 agreement, signed by the Federal Government.

Mind you, this would be a Blue Ridge Parkway-type road allowing for greater access on the North Carolina side of the park just as long ago occurred on the State of Tennessee side a few miles west.

Additionally, according to the National Park Service statistics, there are 5,000 miles of paved roads and 3,000 miles of unpaved roads in the National Park System of this country. My question is, can anybody seriously suggest that 30 more miles will cause an environmental Armageddon? The thought is laughable. Of course not. But that is the ringing cry of these professional environmentalists.

In fact, the Federal Government began building the road back in 1963, and did build 2½ miles of it. In 1965, they built another 2.1 miles. Then in 1967, they built an additional mile, plus a 1,200-foot-long tunnel.

That was when, Mr. President, the self-appointed environmentalists created an uproar and forbade the Federal Government from going further, which has caused, by the way, economic problems for the four North Carolina counties surrounding the park that I am talking about.

Road engineering has improved enormously since that most recent section was built in 1969. Many more improved methods are now available to address the concerns thrown up by these self-appointed environmental opponents of progress.

Let me make it clear. I have no problem with our Tennessee neighbors who are ably represented by Senators Frist and Thompson, but I am obliged, as a Senator from North Carolina, to emphasize some meaningful and relevant statistics of the National Park Service.

In the 2000 report, which has the most relevant statistics available, the Park Service stated that 4,477,357 visitors came to the North Carolina side of the park, while 5,698,455 visitors came to the Tennessee side of the park. Of course, anybody who wants to figure it out, it is a difference of 1,221,098 visitors.

Additionally, according to the latest available retail sales per capita figures from the U.S. Census Bureau, the four Tennessee counties surrounding the park have averaged $9,421.25, but the average for the four North Carolina counties that need that road for more tourists to come there have averaged $7,964.00, a difference of $1,467.25, if you want to get down to the penny.

The North Carolina State average is $9,740.00 per capita, and the Tennessee State average is $9,418.00 per capita.

Here is the background of this issue. I, along with my colleague, then-Senator John Ashcroft, authored legislation that became law, when signed by the President, dealing with the transportation of violent criminals around this country. Private companies have been contracted by State and local governments to transport prisoners around America from one prison and one location to another.

These private companies were transporting violent criminals, and all too often those criminals were walking away. We decided the companies that were hauling violent offenders were not abiding by the standards or regulations and there should be some regulations.

The President signed a bill, authored by myself and then-Senator Ashcroft,
establishing regulations with respect to private companies that are transporting violent prisoners.

The law is called Gina’s bill. It is named for an 11-year-old girl in Fargo, ND, who was murdered brutally by a man named Kyle Bell. Kyle Bell, a convicted murderer, was being sent to a prison in Oregon after being convicted of first-degree murder, being transported by a private company in a bus. They stopped for gas. One guard was asleep; the other apparently went in to get a cheeseburger. The prison guard was filling the tanks with gasoline. Kyle Bell slipped out the top vent of the bus, walked in street clothes into a parking lot of a shopping center and was gone for 3 months. They found him. He is now in prison.

This has happened all too often: Violent offenders, including convicted murderers, walking away from private companies that are transporting them. There should have been regulations in place in July of this year that establish how we are using private companies to transport violent criminals. As for me, I don’t believe any State or local government should ever contract with a private company to turn over a murderer to be transported somewhere. Law enforcement officials ought to transport convicted murderers.

As long as some State and local governments are using private companies for that transport, those private companies ought to be subject to regulation. The law was signed by the President in December, regulations such as what kind of restraints are used, what color clothing is required to be worn by the violent offender being transported, the training of the guards, and so forth.

Since July, when the regulation should have been in effect, in Wisconsin a private company was hauling a violent criminal and that violent criminal escaped and stabbed a law enforcement officer on the neck. Down South, a private company was transporting a violent offender. The violent offender escaped and went on a bank robbing spree.

When we passed the law, I told the story of a retired sheriff and his wife showing up at a prison to pick up five convicted murderers with a minivan. The warden said: You have to be kidding; you and your wife are here to pick up five convicted murderers to transport them? He was not kidding. They put them in the minivan. Those five convicted murderers escaped, of course. That is why we wrote the law and why the President signed it. That is why in July the Justice Department had a responsibility to put the regulations in place. To date, nearly 5 months later, those regulations do not exist.

I have written to the Attorney General and the Office of Management and Budget to stimulate them to do what they were supposed to do 5 months ago. I know there are reasons that bureaucracies act in a slow way and drag their feet from time to time. There is no good reason for this to have happened. I ask the Attorney General for his cooperation. I ask the head of the Office of Management and Budget to cooperate. Get this done. The Congress required you to do it after 180 days. That was July. This is December. It should have been done 5 months ago.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. 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. DASCHLE. Mr. President, I ask unanimous consent that the recess be postponed for 10 minutes, and that the Senate stand in recess following my remarks.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

ELECTION REFORM

Mr. DASCHLE. Mr. President, I wanted to come to the floor for a moment because I feel the need to talk about a lot of unfinished business, as we consider what remains for the balance of the time we have here. We will be going into our caucus shortly.

This morning, prior to the opening of our session, I held my daily news conference and made mention of the fact that among those issues that are of greatest importance to us is the issue of election reform. I don’t know of another bill that is pending in this Congress that has enjoyed the support of our caucus. It is rare that one ever sees all of the members of our Caucus—51 in this case—as cosponsors of a bill.

But election reform has that distinction. All 51 of our caucus members have endorsed the bill introduced by Senator DODD earlier this year.

The reason that they have endorsed that bill unanimously is because of the extraordinary degree of concern that exists within our caucus about the need for election reform as quickly as possible. Because of the tragedy of September 11, and the crisis of being at war, we haven’t had the opportunity to focus on the many, many problems associated with the last presidential election—not just in Florida, but across the country.

The studies and the reports that have been issued have made the problems quite clear: outdated and unreliable technology, confusing ballots, language barriers, lack of voter education, lack of poll worker training, and inaccurate absentee ballots. All of those concerns were of such gravity and magnitude that 6 million voters across the country were disenfranchised.

So it probably should not surprise anybody that almost immediately following the beginning of this session of Congress, Senator DODD went to work as chairman of the Rules Committee. He worked with Members on both sides of the aisle in both the House and the Senate to try to respond to the growing awareness of how serious the situation really is: how problematic, how incredibly unfair, how undemocratic were the results reflected in the degree of difficulty with our election processes—while we should proclaim our democracy with each and every election. So as a result of just a tremendous amount of work, Senator DODD and members of the Rules Committee produced a bill that, as I said, generated 51 cosponsors.

I simply wanted to come to the floor this afternoon to say this: If between now and the end of this session, Senator DODD and his colleagues are able to reach an agreement prior to the next session of Congress, one of the very first pieces of legislation I expect to bring up will be election reform. If at any time during the coming year that an agreement can be reached, my intention will be to bring the agreement to the Senate floor very quickly. But I will say this: Even absent an agreement, we will come to the floor and we will have a debate about election reform. We will make a comprehensive proposal to deal with this issue. We have no choice. It will be part of the agenda of the second session of the 107th Congress.

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determination to deal with it in this Congress. We cannot simply sit idly by and watch 6 million people—maybe more next time—as they are disenfranchised when they attempt to exercise their constitutional right to vote and participate in our political process.

I appreciate the attention of my colleagues on this issue, and I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, first of all, I appreciate the comments of the distinguished majority leader on this issue. From the very beginning, he has been a very strong and vocal advocate of this body and the Congress of the United States in fashioning a piece of legislation that would address not just the events of last year. As the majority leader properly points out, this was not a one-time event in one jurisdiction. In the consistent reports, whether by MIT, the Carter Commission, the General Accounting Office, and surveys done by the media, that analyzed the election last year in Florida, all of these organizations that analyzed it, including the Carter Commission, the story has ultimate ramifications that analyzed it, including the Carter Commission, the story has ultimate ramifications that made them no longer exists. We had an election in one of my communities in Connecticut a few weeks ago where the incumbent officeholder did not receive a single vote in his own hometown because the machines did not record them, which shows us we can go anywhere we want and we will find this system is in need of work.

I say to the leader I appreciate immensely his comments. We are pretty close to the democratic caucus. I hope we can. I also take to heart what he has said, that we have been patient in trying to work this out. My hope is we can come to the Senate with a bill that involves ideas and thoughts that we are coming to address the problems. I also appreciate his comments that if that is not possible we will come to the Senate with a bill to debate this issue and bring people to the table. We cannot go on and not address this problem. The majority leader has said it far more eloquently than I can. It would be a travesty of significant proportions if this Congress were to convene and adjourn in the wake of what happened in the election of 2000 in this country and not step up to the plate and offer the kind of assistance our jurisdictions so desperately need. For those reasons, I thank the leader for his comments, and I yield to my colleague from New York, Mr. SCHUMER.

Mr. SCHUMER. Mr. President, we are not in the chamber. We are not in the chamber. We have spent a lot of time on this issue. It has not gone smoothly. It has not gone smoothly. It has had its ups and downs. It has been a roller coaster ride. I hope when the process is over, sooner rather than later, we will present the Senate a bill for which they can be proud.

Mr. DODD. Mr. President, I thank my friend from Kentucky and my friend from Missouri and their staffs for doing such a great job and bringing together Senator MCCONNELL and Senator BOND and myself in hours and hours of painstaking meetings. We talked today. We are willing to move in the direction necessary to get a bill. It is time to know we will come to the Senate with a bill to debate this issue and debating on this issue in this Congress, not if this year, no matter what happens. I just pledge myself to the Senator from Connecticut to follow his leadership to continue those efforts because the issue of the right to vote, the ability to vote, the disfranchisement of all Americans, no matter how rich, poor, or of whatever race, there is no higher duty.

Mr. DODD. Mr. President, I thank my colleague for his remarks, I note again our staffs are working. I want these remarks to be seen as constructive and positive. We appreciate immensely the work being conducted by my friend from Kentucky and my friend from Missouri and their staffs. We have spent a lot of time on this issue. It has not gone smoothly. It has not gone smoothly. It has had its ups and downs. It has been a roller coaster ride. I hope when the process is over, sooner rather than later, we will present the Senate a bill for which they can be proud.

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

Mr. SCHUMER. Mr. President, I will be very brief because I know we have other business to do. I thank the majority leader, who I know has got to go over to the democratic caucus, for his wonderful leadership on so many issues. This is a man who believes strongly in so many things, including the right to vote. I say to the majority leader, Senator DODD has done a superb job. He has had the patience of Job and the persistence of whatever Biblical character was very persistent.

We are all proud of the job he has done. His leadership in bringing up this issue as soon as we can come up with a compromise that we can all agree on, and which for bid, cannot, is vital to America. I wish to add one point, aside from my thanks to the Senator from Connecticut, our chairman of the Rules Committee, for doing such a great job on this. I have been proud to be working with him. My point is this: He has made an excellent point, that we have almost forgotten about, the wrenching agony we all went through, what President Gore went through, what Senator McCain went through. There is one point that, if anything, September 11 should increase our ardor and our fervor to bring forward a good bill, hopefully a bipartisan bill. The terrorists hate our right to vote. They want a group of religious leaders and controlling everything and not letting people make any determination.

The beauty of America is we can vote, and our job as Senators, our job as citizens, is to perfect that right so nothing stands in the way. Unfortunately, too much stands in the way. Usually not by design but, rather, because we have not paid attention. Malfeasance, we are going to correct that.

The Senator from Connecticut has taken on a great leadership role and brought together Senator MCCONNELL and Senator BOND and myself in hours and hours of painstaking meetings. We talked today. We are willing to move in the direction necessary to get a bill. It is time to know we will come to the Senate with a bill to debate this issue and debating on this issue in this Congress, not if this year, no matter what happens. I just pledge myself to the Senator from Connecticut to follow his leadership to continue those efforts because the issue of the right to vote, the ability to vote, the disfranchisement of all Americans, no matter how rich, poor, or of whatever race, there is no higher duty.

Mr. DODD. Mr. President, I thank my colleague for his remarks. I note again our staffs are working. I want these remarks to be seen as constructive and positive. We appreciate immensely the work being conducted by my friend from Kentucky and my friend from Missouri and their staffs. We have spent a lot of time on this issue. It has not gone smoothly. It has not gone smoothly. It has had its ups and downs. It has been a roller coaster ride. I hope when the process is over, sooner rather than later, we will present the Senate a bill for which they can be proud.

The PRESIDING OFFICER. The Senator from Idaho.

CHRISTMAS EVE IN THE SENATE

Mr. CRAIG. Senator BOND and Senator MCCONNELL are not in the chamber. I know their work with the Senator from Connecticut is dedicated to the end we all want to see in reform because there is an obscenity in the voting system that has to be addressed. I think that is without question. I guess my only frustration by the majority leader’s comments was earlier this week we talked about bringing a farm bill to the Senate. We maybe a month ago retired, still have not, appropriations to do, and several conference reports coming out of that, and we hope yet a stimulus package now
that we know America truly is in a recession. We have known that for some time, but it is now officially proclaimed.

Not in any way to lessen the importance of a debate over election reform, and that is important. I cannot yet quite pass the bill but we get all of this done in time to get out for Christmas.

Before the Thanksgiving recess, I had offered Senator BOXER of California an opportunity to join with me—she from the Democratic side, I from the Republican side—to organize Christmas caroling for the Senate so we could join together in unity, as we have for the last several weeks, and sing Christmas carols on the eve of Christmas.

I suggest if we are going to do election reform, if we are going to do a stimulus package, if we are going to do a farm bill, and I add an energy bill because I think right now energy is every bit as important to the American consumer as election reform is to the American voter, and let us see what else is on that schedule—oh, yes, I forgot, railroad retirement reform—then it is going to be a merry little Christmas in Washington for all Senators who cannot make it out the night before for the home States. My State is about 2,500 miles further away than the Senator from Connecticut. So I say to Senator Dodd, have yourself a very merry little Christmas.

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess subject to the call of the Chair.

There being no objection, the Senate at 4:48 p.m., recessed subject to the call of the Chair and reassembled at 5:30 p.m. when called to order by the Presiding Officer (Mr. REID).

THE SENATE SCHEDULE

Mr. DASCHLE. Mr. President, we have just completed our caucus. I know the Republicans were caucusing. I am not sure whether they have completed or not. I want to report to the Senate about our current circumstances and what the schedule might be for the remainder of the week.

Senator LOTT and I have been discussing the current schedule and our circumstances involving the railroad retirement bill. My hope is that we can move to proceed to the bill sometime within the next hour. If that is the case, it is my intention to file cloture on the bill at some point this evening. It is also my intention that we seek unanimous consent to vote on cloture on Monday. We will not be in session on Saturday, but we will be on Monday. We will also entertain amendments. It is my understanding that Senator Levin will be recognized, offered an amendment, and we will have a debate on that amendment tomorrow and on Monday.

My expectation is that there will not be any votes tonight or tomorrow but that we will have votes on Monday at approximately 5 o’clock.

Senator MURRAY reports to me that the Transportation conference report should be on the floor by Tuesday. I have no doubt it is my hope that we can vote on the Transportation conference report perhaps as early as Monday. If not Monday, then on Tuesday. My hope is that if we can achieve cloture on the railroad retirement bill on Monday, we can bring debate on the bill to a close by Wednesday.

It is then my intention, as I have said on several occasions, to make a motion to proceed to the farm bill. That is a must-pass piece of legislation. It is my hope and expectation that we can complete our work on that, maybe even as early as the end of next week.

I also note that we have made the decision to be on the floor for the last few hours, and in consultation with Senator LOTT as well as our caucus, that we will be in session and voting the week of December 10. That has been an open question until now. But we have now made that decision. Our expectation is that the economy after September 11. That will be all of us. It is money that is going to go to the remaining schedule we have for the remainder of this session of Congress.

I also presented to the caucus what amounts to an informal agreement on how we will proceed on the economic stimulus bill. I am pleased to report that our caucus has agreed with the proposal that has been presented to me by the Speaker, as we consider how to proceed on the economic stimulus bill. If we can reach a procedural agreement tonight, it is my expectation we can move to substantive negotiations on the economic stimulus bill tomorrow morning. It is my hope we can work on it through the weekend, if that is possible, in order to try to expedite our work on that bill and our efforts to reach some final agreement early next week.

The procedural agreement would call for consideration of the Senate Finance Committee bill, the House-passed economic stimulus bill, and other issues relating to those two bills. We do not exclusively limit our consideration of economic stimulus to those two vehicles. There are a lot of other issues out there.

Senator DURBIN in particular has expressed to the caucus on numerous occasions, and here on the floor, how important it is that we consider a payroll tax holiday. That is an issue I have indicated I am particularly interested in and intrigued with. I don’t know whether or not we have the ability to work it into the agreement. I know Senator DOMENICI has expressed an interest in the proposal, and Senator LOTT has noted his support for the proposal.

On our side, I don’t think there has been any more ardent a supporter, any more willing to advocate for the so-called payroll tax holiday than the distinguished senior Senator from Illinois. I applaud him and appreciate his tutorial to the caucus on the issue. He has been able to bring us to a better understanding of how it would work. I must say I am indebted to him for all of his work in advocating that particular issue.

But my point is that that, along with other vehicles, is going to be considered as we debate the issue in the hope that we can bring some resolution to our negotiations sometime early next week.

I see the Senator standing. I am happy to yield to him.

(Ms. HAPENCO assumed the Chair.)

Mr. DURBIN. I thank the leader for his kind remarks.

I hope that in the course of this economic recovery or economic stimulus package we can still stick to our principles that what we do will help the economy, and not do any long-term damage to the economy.

I think this proposed Federal payroll tax holiday, month-long holiday, meets the criteria. Frankly, it will go to workers, to those making incomes up to $80,000—$80,000 is the limit on the Federal payroll tax. So that really gives it to working families.

In addition, it is focused to help small businesses because I think forgiving this tax for employers will say to small businesses, we are going to help you meet some of your expenses, whether they are health insurance premiums or security needs, for your business after September 11.

I have spoken to Senator DOMENICI. I thank my friend and the majority leader for his reference in the course of this conference, putting together the stimulus and recovery package, that this can be included.

Mr. DASCHLE. I thank the Senator from Illinois. His comments make my point. He is not only knowledgeable and articulate on the issue, but he has certainly persisted in ensuring that this piece of legislation be considered along with many others.

Madam President, there are several key areas the Democratic caucus—and it goes to the point raised by the Senator from Illinois—will be advocating.

First and foremost, I want to emphasize again because I feel the need every
time we talk about economic stimulus to ensure that people understand our real priority. Our priority, first and foremost, is to help the 7.5, now almost 8 million workers who are unemployed.

In the last recession, we extended unemployment benefits four times. We have to consider the fact that those weeks are running out now, for those who are eligible for unemployment assistance, and we have to extend it again this time.

But we also have to understand that 54 percent of those who are unemployed today are not entitled to unemployment benefits, so we have to broaden eligibility. That is certainly going to be a key area for us as we attempt to negotiate some successful solution.

I would say as well that none of them can afford health benefits.

When you are given a few hundred dollars a month in unemployment, it is almost impossible—if you have paid the rent, after you have paid for the groceries and the heating bills and other necessities of the family—to buy health insurance. We have to assist these unemployed workers to pay for their health care during the time they are unemployed as well. That would be a priority for us.

We also will try to ensure that the issue of rebates is addressed for those who pay a lot of payroll tax but were not entitled to an income-tax rebate last year. That ought to be on the table, and we will be talking about that.

Business tax relief is also something we care a lot about. The expensing for small business is something for which we are going to fight.

We are also going to try to assure additional depreciation for all businesses. The high-tech community said that is one of the most important issues for them. That will be a priority for us.

We have a number of very key issues we hope to present to our House colleagues. But I also remind all of my colleagues—whether we do on the finance side—whatever we do on the revenue side—is only half of our interest. There is an economic stimulus involved here. It is our interest to pass homeland security as well—Senator Byrd and I have been meeting all day long—as we consider the Byrd amendment to ensure that homeland security is part of economic stimulus as we take up the Defense appropriations bill early next week.

Just as soon as that bill comes over to the Senate, we will take it up in committee. Senator Byrd will be offering his amendment on homeland security. It is my hope we can get a bipartisan vote on that as well.

Nothing will stimulate this economy faster than raising people’s confidence about their own security. Nothing will help them more in that regard than if we increase law enforcement assistance and provide ways in which to ensure, on both sides of the border, the other potential possibilities for attacks to our national security, we are more prepared than we are today.

That, too, is economic stimulus. That, too, is part of our plan. But that will be running on a separate track. I want to emphasize how critical we think that piece is, and how important it is to our long-term resolution. They must go hand in hand. They are going to run in tandem. We are going to be taking both of these sequentially, and both are important to us.

I make that point, as we have made it before on the Senate floor.

I appreciate very much the interest of all Senators.

Mr. DORGAN. Mr. President, will the majority leader yield for a question?

Mr. DASCHLE. Yes, I yield the floor.

Mr. DORGAN. Mr. President, I would like to ask the majority leader if he would entertain a question. I would like to inquire further of the majority leader on this subject of the farm bill. I know it was the stated intent of the majority leader to attempt to offer a motion to proceed to the farm bill this week, perhaps midweek, late in the week, yesterday, or today. I know that was thwarted by the filibuster on the agriculture committee to proceed to the bill that the Senate was prepared to debate. The majority leader was unable to make the motion to proceed to the farm bill. The filibuster we have had and cloture vote that was required now puts us into next week.

The majority leader indicated it is still his intention to file a cloture motion to proceed following the disposition of the bill that is on the floor.

Is that correct?

Mr. DORGAN. Mr. President, the Senator is absolutely correct. I have noted on several occasions my intention to move to the farm bill just as soon as we complete our work on the railroad retirement bill. It can be next Monday or Tuesday. It can be whenever we finish. But we will move to that bill next. We have to move to it.

These are must-pass pieces of legislation that have to be done. We can take them in any order. But it is my intention to file the order that I have already announced, which is to complete our work on the farm bill next.

We will have the Defense appropriations bill, the stimulus bill, and the terrorist insurance bill. All of those have to be addressed.

But as I noted—I see the chairman of the Agriculture Committee in the Chamber—the farm bill will be the next bill after the railroad retirement bill.

Mr. DORGAN. Mr. President, if the Senator will yield for just another moment, that is a reassuring answer. I know how strongly the majority leader feels about the need to write a farm bill.

I observe that the House of Representatives has passed a farm bill. We have now passed one out of the committee under the leadership of Senator Harkin. We will pass it on the floor of the Senate and then to conference.

The goal here is to get a bill on the President’s desk for signature. This is about family farmers hanging on by their financial fingertips and struggling to survive. It is our obligation to get this done.

I know it is not the fault of the majority leader. It was his full intention that to be the floor. It would have been on the floor today had we not faced the filibuster.

I wanted to, once again, ask. And I received the answer that I expected I would. The majority leader is a strong advocate of family farms and the need for a better farm program. I am deeply reassured by that answer. I look forward to being here with the majority leader and with the chairman of the Agriculture Committee as we work hard for a farm bill that will give family farmers in this country a decent chance to survive.

I thank the majority leader for his answers.

Mr. DASCHLE. Mr. President, the Senator from North Dakota and I have been through a lot of legislative battles over the years on rural issues. As he has noted, nothing is more important to rural America than passage of this bill to allow us to go to conference first and to allow us to resolve the outstanding issues that remain between the House and the Senate membership on farm policy so we can get the bill to the President in time to provide all the assurance and confidence we can to farmers and ranchers all over this country. We understand their economic plight.

I note, as the Senator from North Dakota has on several occasions, that last month—the month of October—we saw the single biggest 1-month depression in prices that we have seen in all the time the Department of Agriculture has been keeping records. We have never seen the prices plummet as dramatically in 1 month as we saw them plummet last month.

There is no other reason to move forward on farm legislation than that, it would be enough.

I am hopeful that people understand the urgency of the issue—the urgency of the issue of completing our work on the farm bill in time to go to conference, resolve our differences, and enact it into the law.

Mr. REID. Mr. President, will the Senator yield?

Mr. DASCHLE. I am happy to yield.

Mr. REID. Mr. President, I congratulate the majority leader for defining our schedule. It makes our lives more definite. I think we have the schedule outlined. As I heard the majority leader say, we are going to be in session starting Monday with votes, perhaps over the next weekend, and the next weekend until we finish.

Regarding the Agriculture bill—the farm bill—I think the Senator from Iowa has done an outstanding job not only in the product that came out of the committee but his willingness to take on issues that are so important. Every family in America is affected by this farm bill. The conservation provisions in this bill are the best we have ever had, and they are getting better.
I think this farm bill is so important because of the problems the Dakotas, Nebraska, and Iowa have. The farm bill is so important. This bill affects the whole country. It is not just a farm bill.

I also say to the majority leader that I was given a statement by Senators as I walk into this Chamber indicating that Alamo and National car rental companies have filed for bankruptcy. This is really astounding. These two large rental car companies filed for bankruptcy.

I have had a number of conversations and meetings with the distinguished majority leader about companies and individuals who depend on tourism. For 30 States in the United States, their No. 1, No. 2, or No. 3 most important economic force is tourism.

I know the majority leader has stated publicly—and I appreciate it very much—that one of the items we are going to be looking at in an economic stimulus package is how the tourism industry can be helped. It is in such desperate shape—helping rental car companies and other entities that so depend on tourism.

I am very happy that there has been a framework developed. We can move forward. This is not inventing the wheel. In fact, we have done this before on very important issues since September 11. It will go down in history as remarkably good legislation. We have done it with the appropriations for New York City, plus the $20 billion for added defense for the country. We did it with airport security and antiterrorism.

There is one other that I can suggest the absence of a quorum.

That sets the framework for doing some good work on the stimulus package. I hope the leader will do something about this. I believe we will be very successful in working it out.

Mr. DASCHLE. Mr. President, I thank the distinguished assistant Democratic leader for his comments. He is absolutely right. The tourism industry has been very hard hit. This is yet another indication of the difficult time they are having. I wasn’t aware that these two companies declared bankruptcy. But it certainly illustrates the consternation of just how difficult a time many of these companies are experiencing.

So I appreciate his comment and especially appreciate so much his sensitivity to the agricultural situation. He noted he does not have a lot of farmers, but he has been extremely supportive and understanding about the farm situation. I appreciate that very much.

Madam President, I yield the floor.

Mr. REID. I say to the majority leader, we don’t have a lot of farmers; we have a lot of people who eat the food.

The PRESIDING OFFICER. The majority leader.

COMPREHENSIVE RETIREMENT SECURITY AND PENSION REFORM ACT OF 2001

Mr. DASCHLE. Madam President, I move to proceed to the railroad retirement bill.

The PRESIDING OFFICER. The Republican leader.

Mr. LOTT. Madam President, if the Senator will yield, I believe we have no further requests for time on the motion to proceed. We are ready to vote.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the motion to proceed.

The motion was agreed to.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The clerk will report on the bill.

The legislative clerk read as follows:

A bill (H.R. 19) to provide for pension reform, and for other purposes.

The Senate proceeded to consider the bill.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Madam President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

Mr. DASCHLE. Madam President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The closet motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending Lott amendment:

Trent Lott, Frank Murkowski, Robert Bennett, Phil Gramm, Sam Brownback, Don Nickles, Pat Roberts, Mike Crapo, Larry Craig, Jon Kyl, Chuck Grassley, Pete Domenici, Mitch McConnell, Judd Gregg, Conrad Burns, Craig Thomas.

The PRESIDING OFFICER. The majority leader.

CLOTURE MOTION

Mr. DASCHLE. Madam President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle for Hatch and Baucus substitute amendment
Mr. LOTT. Madam President, if I could be heard with regard to the situation as it now exists for my colleagues on both sides of the aisle actually, what has transpired over the past few minutes procedurally is that Senator DASCHLE has offered the railroad retirement substitute to a House bill. That had to be done to get us on the railroad retirement subject itself. Then, as is in order, I offered an amendment to the substitute. So that will be the issue that can be debated, along with the railroad retirement bill, if Senators so desire.

Mr. DASCHLE. Madam President, just for explanation to all Senators, we ask unanimous consent the order for a quorum be rescinded.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

CLOTURE MOTION

Mr. DASCHLE. Madam President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring into a close the debate on Calendar No. 69, H.R. 10, an act to provide for pension reform and for other purposes:


Mr. DASCHLE. That is correct. The Senator is right. I appreciate his reminding me. If the Senate has been presented with the papers on the Transportation conference report by Monday, it is our intention to have a vote on the Transportation conference report as well.

I am told the House is planning to act tomorrow. I know there has been a little bit of a debate. I don't know if that has been resolved. But if the papers arrive, it is our intent—and I had announced it earlier—to bring up the conference report on Transportation as well.

I yield the floor.

The PRESIDING OFFICER. The Republican leader.

Mr. LOTT. Madam President, if I issue? It seems to me we should focus on those urgent and emergency issues we need to ask and discuss the situation as it now exists for my colleagues, on the circumstances of the Senate, do hereby move to bring into a close the debate on Calendar No. 69, H.R. 10, an act to provide for pension reform and for other purposes:


Mr. DASCHLE. Madam President, just for explanation to all Senators, we have now moved to proceed to the railroad retirement bill. The distinguished Republican leader has offered an amendment for which there will be a cloture vote at 5 o'clock on Monday. Following that vote on cloture, there will be a vote on cloture on the bill at approximately 5:30 on Monday as well. So under the current arrangement, there will be two votes on Monday at about 5 o'clock.

There will be, hopefully, a very good debate tomorrow on the Lott amendment. There can be debate tonight on the amendment or on the bill. But I hope Senators will use the time that is now allotted for the debate to express themselves and to participate in whatever debate may be required. But those cloture votes will occur at 5 o'clock. And there will be no other votes until that time.

The PRESIDING OFFICER. The Republican leader.

Mr. LOTT. Madam President, if the distinguished majority leader will yield to respond to an inquiry, I thought also we would have a vote on the Transportation appropriations conference report at some point in the sequence on Monday.

Mr. DASCHLE. That is correct. The Senator is right. I appreciate his understanding of the situation as it now exists for my colleagues.
In the case of energy, in the case of cloning, if we don’t do it now, we won’t be able to do anything until February or March, and this issue will march forward with uncertainty and concern. Senator BROWNBACK has been advancing the need for us to take some action to have the moratorium. The House acted months ago, overwhelmingly, in a bipartisan manner. We will have the opportunity to do the same here.

I urge my colleagues to take time tonight and tomorrow and Monday. Let’s talk about these two issues. We should not invoke cloture on this amendment. We should have a vote. We should not stop the debate. We should have a vote on the substance itself, and then we could move to the underlying bill and could get it done.

Instead of taking shots at each other, we could actually address three big issues in one swoop. That is why I offered the amendment. It is also to serve notice that if we keep going off track on what we need to do to get out of here, other issues will be brought up.

This is the Senate. Wonderful place that it is, no one person and no one party dictates what we can do. Marvelously, any Senator can offer any amendment on any subject he or she wishes at any time. Lots of times it takes 60 votes, but that is the way it works. Therefore, we will have an opportunity now to have a full debate on energy and on cloning as well as railroad retirement.

I thank the Chair and my colleagues for the opportunity to briefly describe what we are doing. I am sure Senator MURkowski and members of the Energy Committee will be here to describe what is in this energy package. Senator BROWNBACK is waiting to describe the details of his moratorium. I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I suggest the quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative 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 (Ms. CANTWELL). Without objection, it is so ordered.

MORNING BUSINESS

Mr. REID. Madam President, I have spoken to the minority leader, and I now ask unanimous consent that we go into morning business. We want to be as lenient as we can. I know the Senator from Alaska wants to speak for an extended period of time. Others also want to speak. Therefore, we will have the 10-minute limitation, with the understanding that people can ask unanimous consent to speak for any period of time they want.

Again, I ask unanimous consent that we proceed to a period of morning business with Senators permitted to speak therein for up to 10 minutes, and we divide the time, even though it appears that there won’t be the need to do that. I ask unanimous consent that we—

Ms. LANDRIEU. Reserving the right to object, would this be OK with the leader? I ask if I may have my 10 minutes starting now if it would be OK with the Senator from Alaska.

Mr. REID. If I may reclaim my time, I think we would be better off not having the 10-minute limitation—I ask unanimous consent that we now go into a period for morning business with Senators permitted to speak therein for up to 10 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI. Madam President, as Senator LANDRIEU indicated that her children were getting hungry, I suggest the Chair recognize her first.

Mr. REID. Madam President, the request is that we go into a period for morning business, that Senator LANDRIEU be recognized for 10 minutes to begin with, and Senators thereafter be limited to 10 minutes with the understanding that there will be a number of Senators asking for more time.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI. Madam President, in order to accommodate Senators, let’s be more realistic and make it 15 minutes.

Mr. REID. I have no problem with that.

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

UNANIMOUS CONSENT AGREEMENT—H.R. 3090

Mr. DASCHLE. Madam President, I ask unanimous consent that the majority leader may turn to the consideration of H.R. 3090 with the consent of the Republican leader.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

ENERGY SECURITY

Ms. LANDRIEU. Madam President, I know the Senator from Kansas is on the floor to speak on several important issues, and the Senator from Alaska will be addressing the Senate later this evening on the important issue of energy security for our Nation. I agree with so many of the points of the Senator from Alaska, as well as the Senator from Mississippi, who has been taking with us this evening on that subject.

I want to talk about a subject that is actually somewhat related. The subject I want to spend a few minutes on tonight is most certainly related to the issue of energy security for our Nation. It is related to the situation that we find ourselves in, combating this new war against terrorism in many different ways and in ways very different than our past conflicts would have us be engaged. Let me just try to bring this into focus.

We have troops in Afghanistan and, luckily and thankfully, and because we have the best equipped, best led, and bravest and most courageous fighting force in the world, we are making extraordinary progress on our front in Afghanistan. You can see the headlines in all of the newspapers that would attest to the great effort that is being made. But we all know, and we are all learning quickly, that this war on terrorism is something we are going to have to fight on many different fronts. One of those fronts is in our own homeland.

We hated to see what happened on September 11, and we were all heart broken and angry and justifiably angry at the devastation and the horrific attack on our Nation.

As I was saying, we now have to fight this war on many different fronts, not just the front in Afghanistan but the front here at home. We were all terribly surprised and angry. We have to turn that righteous anger into concrete steps to protect ourselves in the future. Many of us in our various capacities and many different committees are about doing that. We are stepping up airport security. We are trying to step up the security of our cyberinfrastructure in the Nation. We are looking at ways to set up medical response teams on health care, our public health system. And all of these efforts, if we do them correctly and come up with good policies and funding streams, will most certainly help to protect our Nation against these attacks that, unfortunately, are going to certainly come. Even if we are successful, we have been—in cornering bin Laden and taking down the Taliban regime and capturing or destroying that particular cell, it is likely, based on everything that we know—not to alarm people or frighten people, but we know that it is likely that there will be future attacks.

The point of my short presentation today is to simply say that we are not sure where these attacks will be aimed. We never imagined that a group of people, with three of our own airplanes filled with fuel, would take down some of the most important buildings in this Nation. So we have to think: What might the next attack be? What could possibly come at us?

There are so many things that could happen that we have to be smart and strategic about how we spend our resources.

One of the issues that I am going to argue for a few minutes on the floor today is some of the critical infrastructure in our Nation—some of it is rail, some transportation issues, such as highways and tunnels, some of it is critical infrastructure protecting our nuclear powerplants, our electric grid, our cyberinfrastructure that we now rely on to run so much of our communications, transportation, health care...
systems, etc. Cetera. We can’t do all of it at once, but we can most certainly begin taking some steps.

I think we need to identify where we can—whether we do it in the supplemental bill or in the energy bill, or whether it is something that should be in some separate package—some projects that are worth giving some attention to in the event that there would be some effort to cut our resources. One of those resources is energy.

Let me be very clear. In Louisiana, there are many critical highways, as there are in many States. There is a highway that is of critical importance not just to our State but to the whole Nation. It doesn’t look like much because it is a small highway. Right now, it is a two-lane highway. I will show you a picture of it in a moment. It is Louisiana 1. I think it is called LA-1. It is rightfully named because it is the one highway in Louisiana, and perhaps in the Nation, that we rely on so heavily for oil and gas production in this Nation.

Oil and gas production takes place, as you know, primarily off the southern shore of our Nation, off the coast of Texas and Mississippi and Louisiana and Arkansas.

We get 18 percent of our imported oil off of the loop facility, which is right off the coast of Louisiana and down this highway, which I am going to show a picture of in a minute. One can see clearly, in the picture there are a thousand trucks a day on this highway on a regular day. This is not a fancy highway. It is a small highway. It runs from Port Fourchon all the way up to the 90 loop. There are a thousand trucks a day that bring pipes, supplies, men, women, equipment, and engineering services to produce oil and gas in the Gulf of Mexico that help this Nation to be secure every day.

So when people walk into this Chamber or go to their building at Cisco or IBM or eBay or whether they walk into Shaw Enterprises or any number of the shipbuilders in Louisiana and they turn the lights on, lights come on. When they fire those plants, that energy runs. This energy comes, in large measure, off the coasts of Louisiana, Mississippi, and Texas. This highway is the highway that is the bridge to Port Fourchon, where those trucks and this equipment are loaded.

Even in a slight rain this highway goes under water. Imagine if there was any kind of purposeful attack on the infrastructure with some minor effort. This highway in the shape that it is in and the condition that it is in could cause a major disruption in energy flows to the United States.

The Gulf of Mexico has 20,000 miles of the most extensive network of offshore oil and gas pipelines in the world. There is only 2,000 miles from the east coast to the west coast, approximately as the crow flies, in the Nation. Ten times the amount of the length of our country are the miles of pipeline that come out of Louisiana to bring oil and gas to the rest of the Nation.

This highway is the only way one could basically get to the point where this oil and gas comes off of our shore. The loop facility is the only offshore oil terminal in the country. There are not three. There are not four. There is one. It is the loop facility, and it is just a few miles off the shore of Louisiana. The only way to get to the loop facility, other than helicopter or ship, is to come down this highway to Port Fourchon, at the end of Louisiana, and to get to the loop facility, where 18 percent of our imported oil comes into the Nation. It comes up through the pipes and again all the way to the coast come through this highway.

It is time that this highway be designated as a special highway for the Nation, a high priority corridor for this Nation. There are such designations in the Transportation bill for many of our highways, and I am sure every Senator could stand up and claim there are at least one or two highways in their States that are particularly important, whether it be for trade or for commerce. We could say that, too, about all of our highways, particularly for I-10, that is connecting Houston in the southern part of the State; I-49 that is now going to be a trade route hopefully to Canada and down through Louisiana; I-20 that connects our State, of course, east and west to other parts of the United States. But clearly LA-1, which is primarily responsible to help this Nation keep its oil and gas supply and actually give it a vigorous, robust manner to supply the rest of the Nation, deserves to have a special designation.

I am requesting by the amendment I am offering to the Transportation bill to get Louisiana-1 designated as a high-impact corridor so we can be in line for appropriations to change this from a two-lane highway to a four-lane highway to give it some of the protections a highway of this magnitude deserves.

Let me show what happens when there is a turnover of an 18-wheeler, one of the thousands that are in this lane. The traffic is backed up for hours. There is no way around it. The services to the rigs out in the gulf are basically shut down for all practical purposes. If one cannot get to the port, they cannot basically get service to the rigs or the supplies or the pipes that are needed.

I hesitate to actually give this speech. Frankly, I hope no terrorist is watching because it would be so easy in some ways to disrupt the supply of the oil to this Nation, but one thing September 11 has to teach us is putting together actually give the critical infrastructure in this Nation so we are not so vulnerable. I wanted to give this speech because I would feel terrible if something happened and people said: Well, Mary, you know, you didn’t give this highway and, after all, it is not a major interstate and we did not know about it.

So I want to give my colleagues fair warning there is a little highway in Louisiana. It only has two lanes, but it has a thousand trucks a day that are bringing supplies and equipment to the offshore of this Nation that helps turn on lights in every schoolhouse and hospital and other events. It is linking offshore factories from Louisiana to Illinois and from Maine to California. If we cannot find a few million dollars in these trillions of dollars of budget to help us improve this highway so we can withstand a natural occurrence of a hurricane or a man-made attack that we would be better equipped to handle than what we have now, then I do not want to be held responsible for not bringing this into the light. I have been in this Chamber many times talking about all the critical infrastructure around our Nation. I have several bills and amendments to try to direct some of our resources to fund those projects, but this one comes to us as one of the things that we should address. I urge my colleagues to look carefully at our needs for LA-1 to help us to direct through any of the bills that are moving forward. I am prepared to stay in this Chamber and back many times until we can get some relief to get some funding for Highway 1. I should also mention I-49 and I-10 which handle the bulk of our domestic production.

Production in the United States of America is basically centered on this area of the country. There is virtually no production off the eastern shore, as the Senator from Alaska will say in his speech later tonight. There is virtually no production going off of the eastern shore. All of the offshore oil and gas production is coming off of this part of the gulf.

So the infrastructure, for the Port of New Orleans, for the Port of Mobile, for the Port of Galveston, for the I-10 corridor that links Houston and New Orleans into Florida, is critical for the development and the spreading of the gas and the oil that comes off of the gulf to the different parts of the Nation.

Finally, we are not complaining about producing the oil and gas. We recognize it brings jobs and wealth to our State. While others do not want production, we want production that is environmentally responsible. We are not talking about the wealth that it creates. I need to say, though, we are not creating the wealth and the jobs and the energy for our State. We are creating it for the entire Nation. So it is only right, it is only fitting, that some of the taxes that are paid by the oil companies from this exact production would come back to help us re-invest in Highway 1, in I-49, in I-10, in I-69, because it is those roads that support the oil and gas drilling.

I thank my colleague from Alaska for yielding to me. He knows this subject in many ways even better than I know the subject. He has been in the Senate longer than I have, but it is so obvious
to some of us that we have to dedicate some resources to protecting the critical infrastructure of this Nation. This is at least one highway that deserves to be No. 1, as its title would suggest. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Madam President, I wish to enter a short colloquy with my good friend, the Senator from Louisiana, and ask her if the anticipated opening of ANWR would not require construction of 19 double hull tankers, some of which would be constructed in her State, from Mississippi or Alabama, costing about $4 billion? I think we have several of those ships underway now, creating 5,000 jobs each for 17 years. These are figures that have been released to me by the American Petroleum Institute, estimating that 19 new double hull tankers of a millennium class will be needed if ANWR is open. The Senate knows that ANWR oil will produce 10.3 billion barrels of oil. That is about what has come out of Prudhoe Bay, for a 60-year production life, and the new tankers would be needed because the old North Slope tankers are being retired in their entirety by the year 2015. That is when the double hull requirements come into effect.

There would be more jobs created because the Jones Act requires that the American oil be transported in U.S.-flagged vessels, built in U.S. shipyards, with U.S. crew, transported within the United States, which is from Alaska and the west coast, which he agreed, according to API’s analysis, assuming ANWR passes, it will include any ban on ANWR oil being exported outside the United States. It also assumes that ANWR oil will be transported by tankers to refineries primarily in Washington, California, and Hawaii.

I would like the Senator’s confirmation that if we pump almost $4 billion into the economy, create 2000 construction jobs in the U.S. shipbuilding industry, some perhaps in the State of Washington, and approximately 3,000 other jobs. They predict this will compute to approximately 90,000 job years by estimating it will take approximately 17 years to build all the 19 ships at almost 5,000 jobs each year. The prediction is one ship must be built each year in order to coincide with the schedule of retired existing tankers.

I wish we had the capacity to build the ships in our State of Alaska, but that is not the case and will not be the case. However, Louisiana has been prominent in its shipbuilding and supply of various resources for Alaska’s oil development.

Ms. LANDRIEU. I thank the Senator for that inquiry. As he knows, and I completely agree, more production in the continental United States and Alaska is definitely a step we should take to reduce our dependence on foreign oil and to increase job opportunities here in our own country. Particularly at this critical time, not only is it part of our overall energy strategy but now it is part of our security strategy for homeland defense and homeland security to reduce our dependence on oil and gas, liquefied natural gas that may come from other sources.

We are very much concerned we do in Louisiana and the engineering and the construction of the landforms and infrastructure that make it possible to drill in extraordinary conditions, in very deep water, leaving a minimal footprint. In days past, there were terrible environmental consequences to drilling. We simply did not have the know-how or the technology to handle some of the negative environmental impacts. That has changed dramatically over the last few years. While there is risk associated with every human activity, we have minimized the risk to the environment in tremendous ways.

The Senator knows we build some tremendous ships and off- and onshore oil and gas equipment in Louisiana. We agree the production numbers need to get up.

For the record, the Senator from Alaska should know that one-fifth of the energy supply depends on LA-1 and its connection to Port Fourchon. The Department of Interior mineral management identifies Port Fourchon as the focal point of deep water activity in the gulf. There is perhaps a deep water or perhaps a focal point in Alaska. I am not familiar with that focal point, but in Louisiana it is Port Fourchon. Eighty-five percent of the deepwater drilling rigs, working in the gulf, are supported by Port Fourchon. We have a highway that is not worth skating down, let alone with the 1,000 18-wheelers a day trying to supply the Nation with the energy it needs to operate.

I look forward to working with the Senator from Alaska to move and increase production. I see the Senator from Hawaii on the floor. He has been an outstanding spokesman of conservation where we can. It will be a combination of strong conservation measures and alternative energy and more production in Alaska and all the States, and in many places in the lower 48.

Mr. MURKOWSKI. I thank the Senator from Louisiana. I have appreciated the good relationship between our two States.

Madam President, this is a fairly significant moment from the standpoint of those interested in passing a comprehensive energy bill. We have that bill, finally, on the floor of the Senate this evening. Procedurally, Senator DASCHELLE has offered a substitute amendment. Senator LOTT offered a second-degree that adds the provisions of energy, as well as cloning. At 5 p.m. Monday there will be a vote on cloture on the Lott amendment. The significance of this is clear to those who said we never bring up energy for a vote, are never able to resolve the merits of whether or not the President’s request that we pass a comprehensive energy policy will become a reality.

I rise today to say that that time has come. Today it is a reality. I hope in the coming debate we can separate the fiction that has been associated with this issue.

I rise today in support of the amendment to the underlying legislation offered by Senator LOTT. Division A through G of the amendment will provide a balanced and comprehensive energy policy to guide this Nation into the future.

Where does the American public stand? I have the results of a poll recently done by the PRRI, with offices in Washington, New York, Toronto, Minneapolis, Vancouver, San Francisco, Montreal, Ottawa, Winnipeg, and Calgary. It is a public opinion poll on energy issues. It will part of President Bush’s stimulus plan. Let me share, with you the results of this poll. This independent and objective poll, conducted by a highly respected research firm, clearly shows that Americans place a high priority of passing an energy bill. The highlights are enlightening because 95 percent of Americans say Federal action on energy is important. That doesn’t surprise me.

Continuing, 72 percent of Americans say passing an energy bill is a higher priority than any other action Congress might take. I hope that message is loud and clear. Again, 72 percent say energy is a higher priority than any other action Congress could take. That includes campaign finance reform, rail-road retirement, stimulus.

Continuing, 73 percent of Americans say Congress should make the energy bill part of President Bush’s stimulus plan. Surprisingly enough, 67 percent say exploration of new energy sources in the United States, including Alaska’s Arctic National Wildlife Refuge, is a convincing reason to support passing an energy policy bill.

We have a significant portion of America’s public saying we should go ahead and pass an energy bill. That is what is before the Senate, H.R. 4. That bill passed the House of Representa-tives. Clearly, the House has done its job. Now it is up to the Senate to do its job.

We have heard from our President many times, indicating that: We need the energy, we need the jobs, we need a comprehensive energy bill from the Senate. This plan increases our energy independence and therefore our national se-curity.

The Secretary of Energy. We need an energy-security policy and we need it soon.

Secretary of Veterans Affairs, Anthony Principi: We are engaged in mortal combat with an enemy who wants to see us fail in securing an energy policy.

The Secretary of Labor, Elaine Chao: The President’s plan will create literally thousands of new jobs that will be needed to
dramatically expand America’s capacity for energy production.

Let’s look at those who have gone overseas and fought wars over oil—the American Legion:

The development of America’s domestic energy resources is vital to our national security.

That is what they wrote to Senator Daschle.

The Veterans of Foreign Wars:

Keeping in mind the horrific event of September 11 and mindful of the threats we are facing, we firmly believe that the development of America’s domestic energy resources is a vital national security priority.

That is in a letter to Senator Daschle.

The American Veterans Association:

As you know, our current reliance on foreign oil leaves the United States vulnerable to the whim of individual oil-exporting companies, many existing in the unpredictable and highly dangerous Persian Gulf. . . . We firmly believe that we cannot wait for the next crisis before we act.

A letter to Senator Daschle.

The Vietnam Veterans Institute:

War and international terrorism have again brought into sharp focus the heavy reliance of the U.S. on imported oil. During these times of crises, such reliance threatens our national security and economic well being. It is important that we develop domestic sources of oil.

Another letter to Senator Daschle.

The Catholic War Veterans of America participated.

How about organized labor? This issue, our energy security, is expressed first by the Seafarers International Union, from Terry Turner, the executive director:

At a time when the economy is faltering, working men and women all over the country would clearly benefit from the much-needed investment in energy development, storage, and transmission.

The International Brotherhood of Teamsters, Jerry Hood:

America has gone too long without a solid energy plan. When energy costs rise, working families are the first to feel the pinch. The Senate should follow the example passed by the House and ease their burden by sending the President supply-based energy legislation to sign.

The Maritime Laborers Union participated in numerous press conferences; the Operating Engineers, Plumbers and Pipefitters Union; the Carpenters and Joiners Union.

We have a significant group of America’s organized labor in support of this because this is truly a jobs bill, much of which could be done without any cost to the taxpayer.

We are talking about stimulus. Let me just quote what opening ANWR would do as a stimulus to the economy. It would create about 250,000 jobs.

It would do as a stimulus to the economy.

Were I to do this: the Operating Engineers, the U.S. Chamber of Commerce, the National Association of Manufacturers, the American Legion, the American Federation of Labor and Congress of Industrial Organizations, the Council of State Governments, the U.S. Chamber of Commerce, the National Association of Manufacturers.

It is necessary, I believe, that we develop

The African American Heritage of Oil Refining.

...the nation's best interests. The... of our national security.

Today is the final day of the ANWR debate. It is signed by Mario Rodriguez, Hispanic Business Roundtable President.

The seniors organizations have spoken out. The group 60 Plus, which I might mention joined at some time:

It is time the Senate leadership quit demagoguing and come to grips with the energy legislation before adjourning. Not addressing this issue immediately is both irresponsible and dangerous to America as a nation and particularly to Hispanics as a community. America must increase the level of domestic production so we can reduce our dependency on foreign oil.

It is signed by Robert Despoda, the president of the Latino Coalition.

The U.S. Mexico Chamber of Commerce:

We urge the Senate leadership, both Democrats and Republicans, to pass comprehensive energy legislation before adjourning. This is not a partisan issue. Millions of needy Hispanic families need your support now. History would not treat inaction kindly, and neither would Hispanic voters next year around.

It is signed by Mario Rodriguez, Hispanic Business Roundtable President.

The seniors organizations have spoken out. The group 60 Plus, which I might mention joined at some time:

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It is signed by Roger Zion, chairman, 60 Plus.

The Senators Coalition participated in support—the United Seniors Association.

I ask unanimous consent for another 5 minutes and I am going to yield to some of my colleagues.

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

Mr. MURKOWSKI. The Jewish organizations have come aboard. I ask unanimous consent that their letter be printed in the RECORD.

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

CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS,

Washington, DC.

Dear Senator: The conference of Presidents of Major American Jewish Organizations at its general meeting on November 14th unanimously supported a resolution calling on Congress to act expeditiously to pass the energy bill that will serve to lessen our dependence on foreign sources of oil. We believe that this important legislation has, in addition, to the economic impact, significant security implications and that Congress will move quickly to pass this vital measure.

We look forward to continuing to work with you and your colleagues on this and other matters of importance to our country.

MORTIMER B. ZUCKERMAN, Chairman.

MALCOLM HOELENK, Executive Vice Chairman.

Mr. MURKOWSKI. The Conference of Presidents of Major American Jewish Organizations, in their conference, at a general meeting of November 14:

...unanimously supported a resolution calling on Congress to act expeditiously to pass the energy bill that will serve to lessen our dependence on foreign sources of oil.

That was in a letter to Senator Daschle.

The Zionist Organizations of America say in their letter:

At a time when our Nation is at war against international terrorism, it is more important than ever that we work quickly to free ourselves of dependence on oil produced by extremist dictators.

Further, they say on behalf of that organization, which is the oldest and one of the largest Zionist movements in the State:

We are writing to express our strong support for your efforts to make our country less dependent on foreign oil sources by developing the oil resources in Alaska's national wildlife refuge.

So there you have a fair segment of Americans represented through these organizations.

Then we go to American business, the National Black Chamber of Commerce.

Our growing membership reflects the opinion of more and more Americans all across the political spectrum that we must act now to lessen our dependence on foreign energy sources by addressing the nation’s long-neglected energy need.

It is signed by Harry Alford, president and CEO.

U.S. Chamber of Commerce—Bruce Josten, executive vice president, U.S. Chamber.

The events of the last month lend a new urgency to our efforts to increase domestic energy supplies and modernize our nation’s energy infrastructure.

And the National Association of Manufacturers:

The House of Representatives has answered the President’s call. It has taken our obvious energy needs into account—all along with concerns of many interest groups—and produced responsible and comprehensive legislation that will help provide stable energy prices and long-term confidence in our economy.
But the Senate is dragging its feet. Some seem willing to let politics stop the will of the majority that wants to move forward with comprehensive energy legislation this year. In light of our current economic concerns and on behalf of NAM's 14,000 members, I strongly urge Sen. Daschle to move an energy bill to the floor without further delay. It is in the national interest ahead of parochial political interests.

It is signed by Michael Baroody, National Association of Manufacturers.

Last, the Alliance for Energy and Economic Growth. The Alliance, representing 1,100 businesses, large and small, and over 1 million employees:

All of the members of the Alliance enthusiastically welcome the President's strong appeal for action on a national energy policy. We are also committed to work with Senate Majority Leader Daschle to move forward in a spirit of bipartisanship with comprehensive, national energy legislation.

The Alliance spokesman is Bruce Josten.

That completes my comments to some extent. I will not tax the Presiding Officer further at this time. I will take a little break.

But I think it is important that we all listen to these groups. They are sending a message to the Senate to get on with its obligation to move an energy bill. We have that energy bill here in the Chamber. It is the pending business for the first time in seven years.

I think it is very important that we look at the political ramifications associated. We have elections coming up. We have a great deal of unknown exposures relative to the instability in the Middle East.

I remind my colleagues that in about 1973 we had the Arab oil embargo, and the gas lines were around the block. The public was blaming everybody. They were outraged and inconvenience, and every terrorist act could bring that situation back.

Some say it will take time. In 1995, this body passed a bill. It included ANWR. The President vetoed it. Had he not vetoed it, we would very possibly have oil flowing from ANWR today and oil coming down in new U.S. ships. But that was the loss of yesterday which is reflected in the vulnerability of our country today.

I urge my colleagues to think seriously before voting Monday about what you are voting for. Are you voting to be responsive to America's somewhat extreme environmental community that has used their ANWR issue as a cash cow to generate revenue and funding for their organizations? When this passes, they will move on to something else. You might say I am perhaps being overly critical. I have seen their actions. I know what this issue means to them. It gives them a cause.

Members are going to have to determine whether it will be a responsive vote for the environmental groups that oppose this effort or a responsive vote to do what is right for America at a time when we are not only at war but we are having a recession in this country.

Indeed, this energy bill would be a significant economic stimulus and would dramatically help remove our dependence on imported oil—particularly at a time when we are contemplating moves in the Midwest, and our dependence on Saddam Hussein's oil is over a million barrels a day. Yet at the same time we are enforcing a no-fly zone. In enforcing that no-fly zone, we are probably using his oil in our air-crafts, and he is using our money to pay his Republican Guards and to develop weapons capability. We already lost two U.S. seamen the other day when that tanker sunk.

My time has expired. I defer to the next Senator seeking recognition.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Madam President, I rise to speak in favor of the pending business which is the amendment put forward by Senator LOTT containing the energy bill of Senator MURkowski and a number of other Members in a bipartisan fashion.

It also contains a 6-month moratorium on human cloning. That is the pending business. We are in morning business. I want to speak to that particular issue, the pending business itself.

I think the Senator from Alaska has adequately and very well described the need for an energy bill and what is in that energy package. He has been very aggressive in expressing the need to do that. I wholeheartedly agree with what he is saying. We need an energy bill. We need an energy package, and we need less energy dependence.

If we move soon to address the issue of mass destruction in Iraq, we are going to be in far worse shape if Iraq starts cutting down their oil and not making it to the United States. If some other countries follow suit, then that means we are going to feel a great pinch. Even though we are doing the right things to address the weapons of mass destruction, we are going to feel a real pinch if they cut down on oil supplies when we have such an international dependence on oil from the Middle East in particular.

I think what the Senator is putting forward for reducing our energy dependence abroad—particularly from the Mideast—Gulf—is the right thing. Our energy sources here is a valuable thing, a necessary thing, and something we need to do today. We need to get it addressed today. I applaud the Senator from Alaska. That is why I am a co-sponsor of the amendment which is the pending business on the floor.

CLONING

The issue I wish to address specifically is another issue of great concern and immediacy. It needs to be addressed. I think the world was shocked last Sunday about the first human clone. It is something that was theoretical and something that was talked about. It was something in the movies. Now there is a "Star Wars" movie coming out this year called "The Clone Wars." It has been something everybody has been discussing.

I think people were shocked when they read this headline about the first human clone. It isn't something that happened in Europe or South Africa. It was in the United States of America.

People were looking at this and saying, I thought this was something theoretical. I didn't realize we were actually at a point of cloning humans.

The House of Representatives passed a bill to address this issue, saying we should not be cloning humans. The President addressed this issue and said: Send me a bill to ban human cloning; I don't think this is something we should be doing.

The Senate is the only body of the three that has not addressed the issue yet.

In the underlying amendment today on the issue of cloning is a 6-month moratorium. It is not a complete ban. It is a 6-month moratorium on all cloning to say time out. Let's hold up just a little bit while we start catching up philosophically and thoughtfully in this body on what is taking place on human cloning in the United States of America today—not tomorrow, not next month—that we need to address this before we get more stories such as this or we start seeing the face of a child appearing before this body takes its position on addressing the issue of human cloning. Presently, this country has not addressed it.

You can clone in this country, if you choose to do so, even though I have a list of other countries that have acted on this issue. Twenty-eight other countries or bodies such as the European Parliament have already acted on the issue of human cloning. We have not. The Senate has not yet acted on this. Twenty-eight other mostly developed countries have already acted on this issue in some way or another.

What does the public think about it? I want to read from today's Roll Call magazine on page 10 about the issue of cloning. There was a poll of the American public. This is in today's Roll Call magazine, November 29. It says:

The majority of Americans clearly remain opposed to cloning, with 87 percent telling ABC News interviewers in early August that cloning humans should be illegal. Respondents were told the following about therapeutic cloning:

There is a debate going on about that. I am opposed to reproductive cloning. Some people are saying they want to try to do therapeutic cloning, which I think is a misnomer of the highest order. Therapeutic cloning is where you create a human clone. You grow it for a period to two weeks. You kill it. It is certainly not therapeutic to clone. You harvest the cells out of that for some supposed research or organ, benefit for another individual. That is so-called therapeutic cloning. I call it destructive cloning. Some call it therapeutic.
Let’s see what the respondents said. This is how the question was put forth:

Some scientists want to use human cloning for medical treatments. They would produce a fertilized egg, or human embryo, that’s an exact genetic copy of a person, and then move cells from this embryo to provide medical treatments for that person. Supporters say this could lead to medical breakthroughs. Opponents say it could lead to the creation of a cloned person because someone could take an embryo that was cloned for medical treatments and use it to produce a child.

That was the question. That is the way the question was worded on the therapeutic cloning.

It might produce medical breakthroughs but also a reproductive clone.

How did the people respond to the question?

Sixty-three percent said therapeutic cloning should be illegal and 33 percent held the opposing view.

Even framed on just the issue of therapeutic cloning, 63 percent say: No, I don’t want to do that. I don’t want us to go there and continue to dawdle in this body. We did not take up the issue. We would not hear it or bring it up on the floor until now. It is the pending business with a 6-month moratorium. It is not a complete ban. It is a complete ban for the 6 months. But after that, this would sunset.

I think this is a very prudent move that this body should take in addressing this highly controversial, highly problematic and monumental bioethical issues. As I mentioned, the House of Representatives has dealt with this issue. They have passed a ban on human cloning with a 100-vote margin. The President keeps calling for it. This body has not acted.

On these bioethical issues, many of which I have raised on the floor previously—and I am going to keep raising in the future—we need to debate all these issues and come to a conclusion about where the technology is such that that taking place and this body will not have even spoken. We will not have even spoken. We will not have said, yes, we agree or we disagree.

The President has spoken and the House has spoken, but we will not have even said, OK, we agree we should or we disagree. We will not have done anything.

That is why I plead with the sponsors of the bill that we should take up this particular issue. We would allow this amendment that has the important energy language in it for energy security that contains the important moratorium. We would allow that would be allowed to be voted on by this body. We would not have a cloture vote that rules out the vote on these two imminently important issues that need to come before this body at this particular time.

So I plead with my colleagues, do not vote on a procedure that knocks off these two very important issues. Let us have a debate on these two issues.

We are going to be in town. We should take up these very important issues that are of immediate importance and need to be considered. I look forward to discussing this further with my colleagues as we get a chance to bring this amendment up for a vote.

Mr. President, I yield the floor.

The PRESIDENT pro Tempore of the Senate (Mr. NELSON of Nebraska). The Senator from Ohio.

Mr. VOINOVICH. Mr. President, I rise to speak on the amendment to the underlying bill before the Senate.

I think the Senate from Kansas has spoken eloquently on the need to pass a moratorium on human cloning. It is interesting to note that about 80 percent of the people in this great Nation agree with that. It is also interesting to note that the opinion of the amendment calling for an energy policy for this country is also supported by about 80 percent of the people in this country.

Although I do not ordinarily pay that much attention to polls, I say, in this case, the polls reflect the public policy for the United States of America.

Mr. President, with all the debate that has been going on in this body and throughout the Nation as to whether or not we actually need a stimulus bill, I reiterate my view that, yes, we do need a stimulus bill.

It is important that we pass a bill from several points of view.

Psychologically, the American people need a stimulus bill. For all the talk over the last couple of months about how much we need a stimulus bill, the public has now grown to expect we will pass a stimulus bill. I think that has been taken into consideration in the decisions the American public has been making. They see it as a positive measure, one that will bring us out of our economic doldrums and put things back on track.

As my colleagues know, the National Bureau of Economic Research reported earlier this week what many of us knew; and that is, our country is in recession. The people in my State of Ohio have known that since last year.

We need to spark our economy by getting businesses to boost investment. We need a stimulus package to help raise consumer confidence and get the American people spending again. As you know, consumer spending makes up two-thirds of our economy. We have to get buying. That is what we need to do. We have to get buying.

We need an energy stimulus bill that will put money in people’s pockets, one that will restore consumer confidence, give businesses the money
they need to survive by letting them recapture taxes they paid in the past.

We need a bill that will lower people's tax rates by expanding the amount of earnings that are taxed at the 10-percent marginal rate. We need a stimulus package that provides a 'life preserver' for the unemployed by giving them 13 additional weeks of unemployment benefits and one that responds to their health care needs.

One proposal that responds to what Americans want is the Centrist Coalition package that the Presiding Officer is completely familiar with and that has been sponsored, on a bipartisan basis, by the Presiding Officer, Senators John Breaux, Olympia Snowe, Zell Miller, and Susan Collins.

Regardless of what we do involving a stimulus bill, the American people expect us to work together in a bipartisan fashion. They see President Bush doing that. He is more worried about protecting the Nation's interests than in partisan politics.

Indeed, some of my colleagues on this side of the aisle have been critical of the President because he has not been partisan enough. In fact, he has gone the extra mile, I believe, to be non-partisan.

The American people believe that Congress' motives are the same as the President's. If they become convinced otherwise, that we are working for special interests or succumbing to our past bad habits of playing politics, the consequences are going to be devastating.

It will lower their confidence in us and in the economic future of our Nation. Things changed on the 11th of September. Those of us in Congress should never forget it.

There is one other action we need to take to stimulate our economy, improve and enhance public health and the environment, secure our competitive advantage in the global marketplace, and secure our homeland and national security. That action is the adoption of an energy policy for this Nation.

That is why I am so enthusiastic about the amendment to the underlying bill. Given the tragedy of September 11 and the actions that have occurred in the aftermath, enacting an energy plan is much more relevant than ever before.

As far as I am concerned, and many others, our adoption of an energy package is, in the long term, more important to this country than the economic stimulus package.

Because of the situation in the Middle East and the Persian Gulf and Southwest and Central Asia, we are more vulnerable today than ever before.

You can see from this chart that one-fourth of our crude oil imports, 27.18 percent, come from the Middle East. Consider the following numbers: Iraq, 6.83 percent; Kuwait, 2.9 percent; Saudi Arabia, 16.79 percent; the United Arab Emirates, about three one-hundreds of 1 percent; Oman, less than three one-hundreds of 1 percent; Yemen, three-tenths of 1 percent. Given the near constant instability in the region, it should give my colleagues little comfort to know that we are so reliant on that part of the world.

OPEC increases approximately 40 percent of the world's oil supply, has threatened to cut oil production 4 separate times this year, and they cut oil production a total of 3.5 million barrels per day or 13 percent this year. I know this is difficult for people to comprehend. But every day, the United States receives 750,000 barrels of oil from Iraq. If we look at the chart, over 6.8 percent of the oil we import every day comes from Iraq.

In December, the United Nations will be conducting a periodic review of Iraq's oil-for-food program. In the past Iraq has suspended exports during the review in order to press their case that the program be allowed to continue unimpeded by the United Nations. This could happen again.

As many of you know, Iraq could be next on the list of nations that we go after because of their threat to world peace. It would be surreal if we were not concerned about the same time we were engaging in antiterrorist activities against that nation.

It was strange enough that when we had the last oil crunch last year, we were providing them with technology to increase their oil production while at the same time we were conducting air sorties over their no-fly zone. We were bombing them on one hand and providing them technology so they could increase their oil production at the same time. It doesn't make sense.

The attack on Washington and New York could make things even more unpredictable as support for the United States by oil-producing Arab nations could bring Osama bin Laden and al-Qaeda to our country. It is important to make it clear that Osama bin Laden would dearly like to bring down the Saudi government because of its Western influence and the alleged exploitation by the United States of Saudi oil. Remember, the Saudis provide 16.8 percent of our oil imports.

On the domestic front, we are also in trouble. The refinery fire in Illinois this past August decreased the available supply of gasoline while our inventory was already low. That caused prices to jump up in the State of Ohio and other Midwest States. The price of gasoline jumped up 30 cents per gallon in Ohio over a 2-week period because of a fire at a refinery.

We have not had new refineries built in almost 26 years, while the number of refineries has dropped from 231 in 1983 to 155 today. While the refineries today are more efficient, they are not getting the job done. When a refinery shuts down for repairs or accidents such as fires, it can price spikes that can be felt across the Nation.

We should not be lulled into complacency because of the temporary low cost of gasoline. If you travel the country, the price is down. We must do more to increase domestic production of oil in the United States.

Our transmission system also needs to be improved and opened up. We don't have the infrastructure in place to transmit natural gas and the pipelines to transmit oil. Last year one of the reasons we had the large increase in gasoline prices in the Midwest was because of a break in one pipeline coming up from Texas and another one coming from Wolverine, MI. Those two events skyrocketed the price of oil in Ohio and many other States in the Midwest.

Because of this, last month I introduced the Environmental Streamlining of Energy Facilities Act with Senator Ländriech. Our bill will streamline the siting process for pipelines and transmission lines.

Safety costs are another major factor in our Nation's competitive position in the global marketplace. Long before the events of September 11, utility costs were exacerbating the recession in Ohio and the Midwest. We need to assure Americans that we can count on reasonable, consistent energy costs if we expect to get their confidence back in terms of the economy.

As a major manufacturing State, energy is the backbone of Ohio and the Midwest. We are the backbone of this Nation's economy. Twenty-three percent of our Nation's gross State product for manufacturing is concentrated in five States which comprise the Midwest: Ohio, Indiana, Michigan, Illinois, and Wisconsin. For example, when you compare Ohio's manufacturing production with the New England States, Ohio's gross State product for manufacturing is higher than all six of the New England States combined. Energy is the backbone of the U.S. economy. And without a reliable supply, we are not competitive in the world marketplace.

Congress needs to act on an energy bill as soon as possible. It needs to be done on a bipartisan basis.

This chart is really very illuminating. It looks at projected demand for energy in this country between now and 2030. The green line is what we are going to need. The red line is based on current production and shows what we will have available to meet the demands for energy in this country. As my colleagues can see, there is a large gap between the one that needs to be filled.

That means that we are going to have to produce more oil, more gas, use more coal, produce more nuclear energy, if we are going to take care of this large gap.

Many of my colleagues would argue that the solution to our need for energy is the issue of renewables and other alternatives. The fact is, today, renewables, that includes hydro- and non-hydropower, take care of only a fraction of our energy needs in the United States of America. That is surprising, because I have had some colleagues come to the floor and argue
that all we need are acres and acres of windmills and acres and acres of solar panels and that will take care of our energy problem. The fact is, solar and wind power make up only one-tenth of one percent of our energy needs. There is no way that we are going to be able to deal with our energy problem with renewables because if you look at the bottom line, this purple line, going out to 2020, you can see that it is going to represent a very small part of the production we have in America.

Therefore, we need more energy. We need more oil. We need more gas. We need more nuclear. We need more coal. While conservation helps, it is not going to meet our estimated consumption without drastically changing America’s standard of living. We cannot kid ourselves and think otherwise.

Although it won’t get the entire job done, a good beginning in our goal of achieving a solid energy policy is a bill that is before the Senate calendar, H.R. 4, and which is part of the amendment to the underlying bill before the Senate that was submitted today by Senator LOTT.

It is a good beginning. Those of us who have been on this issue for a long time would like to see amendments dealing with an ethanol component which will help decrease our dependence on foreign oil. We need to use more ethanol. We need to have an electric grid which will improve nationwide delivery. We need more funding for clean coal technologies and a nuclear title, including Price-Anderson reauthorization.

It is a beginning, a big beginning, a bill that passed the House of Representatives and one that should be passed in the Senate.

I hope when Monday comes and this body has an opportunity to vote on the issue of cloture dealing with the amendments to the underlying bill that we will vote to allow those amendments to be debated by the Senate. It is important not only to the economic well-being of our country, but it is important to our national security.

We cannot allow ourselves to be lulled into a false sense of complacency simply because energy prices have stabilized. People say, “Natural gas prices are down, GEORGE,” and, “Oil prices are down, GEORGE.” The fact is that they have been down before and we have seen the same thing before. These prices are like a yo-yo, up and down and I am worried that one day, we are going to end up hanging at the end of the string.

It is time for us to act. As sure as the sun will rise, so too will prices. OPEC will not be sure it happens. The longer we wait to pass an energy bill, the more vulnerable this Nation will be to supply disruptions, which will, in turn, have a dramatic impact on our economy, our environment, our health and, yes, our national security.

The time has come for the Senate to act and adopt an energy policy for the United States of America.

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

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

ENERGY POLICY

Mr. MURKOWSKI. Mr. President, let me thank my colleague from Ohio for outlining his position on the legislation we are discussing, the energy bill, H.R. 4. His presentation certainly summarized the fact that this indeed is in the national security interest of our Nation. He pointed out that our continued dependence on such unreliable sources as Iraq, at a time when we are not sure what our next move will be, puts us in a rather embarrassing position. He has certainly highlighted the vulnerability of this country, which is growing; there is absolutely no question about that.

The question we have—legitimate question—is just whether or not H.R. 4, which has passed the House of Representatives and is before us, does the job as a comprehensive energy bill. I am going to spend a little time on that because I think the public deserves to know what is in H.R. 4.

I will again ask my colleagues to reflect on the vote that is going to take place on Monday. This is not a vote on the issue of ANWR; this is a vote on the entire bill that passed the House of Representatives. A vote will be seen and read strictly as a vote on passing an energy bill. I think that is significant. It is a vote for or against passing an energy bill that has passed the House of Representatives.

With the issue of ANWR, there is the cloning ban. I support that. The Senator from Kansas made an excellent presentation on the merits of that. It is rather unusual to see such devoid issues brought up. But that sometimes happens in this body. It is important to point that out and highlight that Senator BROWNBACK’s presentation is simply a 6-month ban. What we are seeing here on cloning is the scientific and medical movement is so fast that we are not sure what our next move should come down. Therefore, a 6-month moratorium on cloning is certainly in order. I certainly support that.

Here is what H.R. 4 does for the Nation. The amendment is the legislative portion of the President’s comprehensive energy policy. It aims to secure America’s energy future with a new national energy strategy that is designed to reduce energy demand, increase energy efficiency and supply, and enhance America’s infrastructure and our energy security.

I think that should address the issue some have raised that this is nothing but a very narrow bill containing ANWR. Let me tell you what we have in here in the sense of reducing demand. This bill reauthorizes Federal energy conservation programs and directs the Federal Government to take leadership in energy conservation with new energy-saving goals.

Secondly, it expands Federal energy savings performance contracting authority. It increases the Low Income Home Energy Assistance Program, LIHEAP. It provides weatherization and State energy program authorization levels to meet the needs of low-income Americans. It expands the EPA and the Department of Energy’s so-called energy star program. It directs the EPA and the Department of Energy to determine whether energy star labels should be extended to additional products. We used to see seals of the Underwriters Laboratories. This is much like “Watt, but these SEPs are awarded for reduction in energy use. In other words, you can get a better, more efficient refrigerator, but you probably won’t because your other one is working just fine. But there does deserve a particular rating and some identification. That is what the energy star program is all about. It highlights that this is indeed an energy-saving device and technology that has been put out by your iron, refrigerator, or dishwasher.

We need to encourage Americans to go out and buy these. But, obviously, some are reluctant because theirs is working fine. But they can reduce energy consumption with their energy bill. It directs the DOE to set standards for appliance standby mode energy use. It reduces light truck fuel consumption by 5 billion gallons over 6 years. Now this is the CAFE—people are saying, “What, but these SEPs are savings?” It directs the DOE, in the sense of light truck fuel consumption, to reduce it by 5 billion gallons over 6 years. It also improves Federal fleet fuel economy and expands the use of hybrid vehicles.

What do we mean by Federal fleet? We say before we put mandates on the general public, let’s put it on the Government fleet and see how it works. That is kind of the old saying that charity begins at home. So it will improve the Federal fleet economy. It increases funding for the DOE’s energy conservation and efficiency R&D programs designed to reduce consumption and pollution. It expands access to promote energy-efficient single and multifamily housing. That would answer pretty much the concern some have raised, well, you don’t have anything in your bill to reduce demand. I think we do.

On the issue of increased supply, we have provisions for environmentally sensitive oil and gas exploration on the Arctic Coastal Plain. That is ANWR. I will talk about ANWR later. Clearly, the resources are there. It is estimated to be between 5 and 16 billion barrels.

We have an average somewhere in between 5 and 16. It will be as big as
Prudhoe Bay, now producing the 13 billionth barrel. We can get 10 out in the field—the largest field ever found before. I have a chart here that shows a comparison with our good neighbors from Texas, and I am sure my staff can find that in a moment or two. As they look, I will turn to the other areas of increased supply.

I think we all assimilate in our minds domestic oil reserves coming from the great State of Texas, and the great State of Texas has been producing a lot of oil for a long time. This says: ANWR, More Oil Than Texas. This is from the Energy Information Administration which reports that Texas proven crude oil reserves are 5.3 billion barrels.

In 1999, the USGS estimated there is a 95 percent chance of more than 5.7 billion barrels from ANWR, a 50/50 chance of more than 10 billion barrels of oil and a 5-percent chance of more than 16 billion barrels of oil. So if we want an average, ANWR has more potential than Texas.

I have heard my friend, the junior Senator from Massachusetts, speak in generalities about why this should not be open. I have never heard a good explanation whether or not he believes there is evidence to suggest it cannot be opened safely, but he does generalize that it is insignificant.

If the oil in ANWR were to be the average 5 billion barrels, ANWR would supply 321,428 barrels per day. This would be the State of Massachusetts. That would last the State of Massachusetts 85.2 years. The State of Connecticut uses 216,000 barrels per day. It would last Connecticut 126 years. South Dakota uses 59,000 barrels a day. It would provide South Dakota with 460.3 years for their petroleum needs. I throw that out simply as a matter of comparison when individuals say the increased supply is insignificant. It is not insignificant.

Fuel supply authorization new oil and gas R&D for unconventional and ultra-deep-water production. We are seeing that in the Gulf of Mexico. That is where our new finds are, in deep water. The industry has done an extraordinary job of advanced technology, and they have been very fortunate. They have had very few accidents. It provides royalty relief incentives for deepwater leases in the central and western Gulf of Mexico. It streamlines administration of oil and gas leases on Federal land. It authorizes the Department of Energy to develop accelerated clean coal power initiatives. So it recognizes the significant role of coal, which makes up nearly 50 percent of our power generation in this country.

It establishes alternative fuel vehicles and green school bus demonstration programs. That should appeal to many Members. It reduces the royalty rate for development of biothermal energy and geothermal leases. It provides for regular assessment of renewable energy resources and impediments to their use. It streamlines the licensing process for hydroelectric dams and encourages increased output. It provides new authorization for fossil, nuclear, hydrogen, biomass, and renewable R&D.

These things are included to increase the domestic oil supply, but they are not only in ANWR. There is authorization for new technology, hydrogen, biomass, renewable R&D, because we want to remove our dependence even greater on imported oil. The difficulty many people have is to recognize is America and the world move on oil because we do not have any other alternative. We wish we did. We can generate electricity from coal, from gas, from nuclear, from wind, but we cannot move America and we cannot move the world. That is why we are becoming so dependent on Mid-east sources.

If this bill passes this House and this Senate, two things are going to happen. We are going to send a message to OPEC. The message is going to be loud and clear. The United States is committed to reduce its dependence on OPEC. OPEC, I think, will read that and decide, all things being equal, they had better be careful how they operate that cartel because if they move it up too high, we are not going to be in their interest. So I think it will be a curb on prices because the more we produce domestically, the less we will import. As we know, those countries need those gas fuels, particularly the ones that are not OPEC.

Finally, in the area of enhanced infrastructure and energy security, it sets goals for reduction of United States dependence on foreign oil and Iraqi imports. It initiates the review of existing rights of way on Federal lands for energy potential. It directs the Department of Energy to implement R&D and demonstrate use of distributed energy resources. It invests in a new transmission infrastructure R&D program to ensure reliable electricity.

It requires a study of boutique fuels and issues to minimize refinery bottle-necks and supply shortages because, as we remember, it was not so very long ago under the previous administration, when we had a shortage of heating oil in the Northeast in the wintertime, the decision was made to open up SPR. We took 30 million barrels out of SPR. Suddenly we found we did not have the refining capacity because we had not built new refineries in this country in the last 30 years. We displaced the thing we were importing. That is kind of the situation. So this does provide some relief.

It initiates supply potential for renewable transportation of fuels to displaced oil imports, it offers scholarships to train the next generation of energy workers, and it prohibits pipelines from being placed on national registers of historic places. That is what the bill does.

Last night the majority whip, Senator Reid, my good friend, came to the Chamber, and I do not know whether he was ill informed or not, but in any event I will comment a little bit on his statement. I assume it was an attempt to support the majority leader’s priorities from the standpoint of the remaining time we have in this session and what those priorities should be. I understand if my friend on the other side of the aisle feel very strongly about the railroad retirement legislation, but the majority leader stated he thinks it is more important this body consider the railroad retirement legislation than comprehensive energy legislation. That is contrary to polling information I just presented. That polling information, as I said, indicated that 95 percent of Americans say Federal action on an energy bill is important. That is not enough because 72 percent of the Americans say passing an energy bill is a higher priority than other actions Congress might take.

We have seen polls from time to time. We take those polls or leave them, but this was an IPSOS-Reid poll done in November. So clearly there is a little bit of difference expressed by the polling information on what the priorities should be.

Now, evidently, the leader thinks it is more important that we consider a farm bill. It is kind of interesting about how we set priorities because the farm bill does not expire until the end of next year. Does it have some prioritization as the exposure we are seeing in the Persian Gulf, the danger of terrorism to Saudi Arabia in bringing down the Royal Family, a couple of tankers colliding in a terrorist attack in the Straits of the Hormuz terrorists oil fields? These are the crises that would come about, and clearly with our increased dependence on Iraqi oil and the fact we are looking to finalize things over there against those who sponsor terrorism. It is beyond me how the leader would consider the farm bill as being more important, particularly when it is not due to expire until the end of next year.

I know what good soldiers are about. I have been in the majority and I have been in the minority, and sometimes we are asked to defend the indefensible. That is politics. I think the whip is doing a good job as we have come to understand he always does in the Senate, two things are going to happen. Last night the majority whip stated that the overall benefits to the country would be nonexistent in the large area of the Arctic Coastal Plain were “non-existent.” I find it rather ironic that he would make that blatant statement. This Whip is respected. If this whip really say the overall benefit to the country would be nonexistent when we have seen the Teamsters, the unions, the veterans, the minority groups in this country say they think this is the most important thing to take up, and the fact that the House has passed it sends a strong message. We have some work to do.
When he said that would be nonexistent, I asked myself, can he really believe that? Does he really think the facts support his assertion? Knowing that the majority whip would never deliberately mislead other Senators, I only concluded he doesn’t know the facts. He was not the majority leader, he has never taken the time to visit the area. We have made repeated offers. I have taken many Members there.

It is ironic we only have to justify on the side of the proponents the merits of the issue based on our personal experience, the experience of my senior colleague, Senator Stevens, and Representative DON YOUNG. The administration has seen the area, physically gone up there. The Secretary of Interior has been up there twice. I took her up last February. We took off with a wind chill factor of 72 degrees below zero. It is tough country.

One chart shows the bleakness of the Arctic Coastal Plain. I am also convinced the only way the Senator might learn those facts, if he doesn’t visit the area, would be if I were to share more and more facts with him in the hopes he will understand. I am here to tell the Nation aware of the significance of what this could mean to our energy security. I will also make the Nation aware of the benefits to the country in opening a small sliver of the Arctic Coastal Plain for development.

Today, I will share with the Senate what the Clinton administration said about ANWR. I think my colleagues should know what the previous administration said about ANWR, as related by the Energy Information Agency in May of 2000, an agency created by Congress to give unbiased energy information. I will come back to this in a moment.

ANWR is the area on this chart to the right on the map of Alaska. Also shown is the State of South Carolina for a size comparison. There are 19 million acres in ANWR. We have 365 in the whole State. ANWR, on the big chart, the 19 million acres, is already predestined by Congress for specific designation. The darker yellow is part of the refuge. The lighter yellow is in a wilderness in perpetuity. That is about 8 million acres. The green at the top is the 1002 area, or the ANWR coastal plain. The geologists say this is a very productive 60 mile long Prudhoe Bay. Prudhoe Bay, of course, is the field that has been producing for some 27 years.

The TAPS pipeline is an 800-mile pipeline traversing the length of Alaska. Interestingly enough, when that was built 27 years ago, we had arguments in the Senate whether that could be built safely. What would happen to the animals? What would happen to a hot pipeline in permafrost. Would it break? All the same arguments today. The vote today was a tie in the Senate, and the Vice President came in and broke the tie. I cannot recall how many hundreds of billions of barrels we have received, but for an extended period of time was flowing at 2 million barrels a day. It is a little over 1 million barrels at this time.

This map shows another area worthy of some contemplation. That is the red dot. That is the footprint associated with the development. In the House bill that is 2,000 acres. I know the occupant of the chair knows what 2,000 acres is. Robert Redford has a farm in Utah of 5,000 acres. Keep in mind this authorization is for 2,000 acres, a permanent footprint, out of 19 million acres. Is that unreasonable? I don’t think it is.

Some are under the impression this is a pristine area that has not been subject to any development or any population. Of course, a village is at the top of the map. Real people live there. They have hopes and aspirations for a better lifestyle and better working conditions, jobs, health conditions, schools. There is a picture of some of the Eskimo school and nobody there to shovel the walks. There is also a picture of the public buildings, in front of the community hall, with pictures of the Eskimo’s two modes of transportation: One is a snowmobile, the other is a bicycle. That should take care of the myth that nobody is up there. Real people live there.

The Coastal Plain comprises approximately 8 percent of the 19 million acres of ANWR and represents the geological trend that is productive in the sense that the oil flows in the same general area. This is the largest unexplored potential production onshore base in the entire United States, according to the Energy Information Agency.

I return now to the statement of the Clinton administration: This is the largest unexplored potential onshore base in the United States. The Energy Information Agency, under the Clinton administration, did not think the benefits of ANWR would be nonexistent on our Nation’s energy supplies. That is why I am amused that the majority whip would use the term “nonexistent.”

The Department of Interior says if the Energy Information Administration isn’t good enough, how about the Department of the Interior under Bruce Babbitt?

I am wondering if that argument isn’t enough to convince the majority whip that the ANWR are not nonexistent on energy supplies.

According to a 1998 Department of the Interior study under the previous administration, there is a 95-percent probability—that is 19 in 20 chances—that at least 5.7 billion barrels of oil in ANWR is recoverable. That is about half what we would recover initially from Prudhoe Bay. There is a 50-50 chance that there is 10.3 billion barrels of recoverable oil. And there is a 5-percent chance at least 16 billion barrels are recoverable.

These are not my numbers. These are not coming from Frank Murkowski or Don Young or Ted Stevens. These aren’t the environmental fundraiser groups’ numbers. These are Interior Secretary Bruce Babbitt’s scientific numbers.

I fail to recognize how the majority whip would add them and find it is nonexistent, as was stated by the whip. How much oil is there reason to believe is there? We don’t know. We won’t know until we get in there. Senators might wonder how much these numbers add up to. How much impact would oil from ANWR have on our Nation’s energy security, our economy, our jobs?

Let me try to put that in perspective. According to the Independent Energy Information Administration, at the end of 2000, Texas had 5.27 billion barrels of proven reserves. That means there is a 95-percent chance that ANWR has more oil than all of Texas. Think of the jobs associated with the oil industry in Texas.

California has 3.8 billion barrels of proven reserves. There is a 95-percent chance that ANWR has more oil than all of California.

New Mexico has 718 million barrels of proven reserve. There is a 95-percent chance that ANWR has more oil than all of New Mexico.

Louisiana has 529 million barrels of proven reserves. Oklahoma, 610 million; Michigan, 36 million; Pennsylvania, 15 million; and Connecticut had no proven reserves. In fact, the Energy Information Agency states that the lower 48 States have total proven reserves of 17,384,000,000 barrels of oil. That’s it, 17 billion. This could come in at the high end. If we are lucky enough to hit Secretary Babbitt’s high number of 16 billion barrels, ANWR would almost double U.S. reserves.

These are not my figures. They are figures of the previous Secretary of the Interior. Are these benefits nonexistent, as the whip has indicated last evening?

I hope this will clarify the issue for the majority whip, and any other Senators who might wonder whether ANWR would have an impact on our energy security, economy, or our jobs. To repeat, ANWR could potentially double our reserves overnight. Do I know it will? No. Does anyone else? No. But I believe in the wisdom of the Clinton administration scientists over the word of the environmental fundraising groups. They have never wanted this issue resolved because they would no longer have their best fundraising issue to lie their way into well-intentioned American wallets. It is easy to understand how people might be misled. These groups have simply not been telling the truth, period.

I am happy to debate any and all, at any time, on the merits of this issue. If there are those who do not believe me, or the Clinton administration, how about organized labor? Teamsters, maritime, construction trade unions,
the AFL-CIO, operating engineers, and many other unions have joined us in support of this legislation. They think it will have a great impact on the economy, on our national security, on our jobs. They estimate between 250,000 and 750,000 jobs will be created here at home by opening ANWR.

They do not believe the benefits to our Nation are nonexistent, as the majority whip has indicated.

The PRESIDING OFFICER. The Senator has the floor.

Mr. MURKOWSKI. I ask unanimous consent I may have another 10 minutes.

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

Mr. MURKOWSKI. Mr. President, I would like to take a note here, relative to the number of ships that would have to be built if, indeed, ANWR were opened. A lot of people overlook the reality that Alaskan oil is unique. It has to move in U.S.-flagged vessels because the Jones Act requires that. Any movement of goods and material between two U.S. ports has to be moved in a U.S.-flagged vessel. So all the oil from Alaska moves down in ships built in the United States, and there is no substitute.

This is the largest concentration of U.S.-flagged tankers in existence in our country, in this particular trade. They would require, if ANWR opens, 19 double-hulled tankers which would add about $2 billion to the cost. We have to understand and create 5,000 jobs each for 17 years because these new ships will come on as replacements for others.

I do not know if those benefits are nonexistent, but to the States—Maine, where they are likely to build some of these ships; Alabama, Mississippi, Texas, Washington, California—these jobs are. These are good jobs, good jobs in U.S. shipyards.

What about these other ships that bring in the 56 percent that are coming from overseas? They bring their oil in foreign-flagged vessels. They don’t have the deep pockets of an Exxon.

I will conclude because I see other Senators are here waiting for recognition. But I want to ask again, the benefits are nonexistent? I hope this will clarify the issue for the majority whip and any other Senators who might wonder whether ANWR would have any impact on our energy security, the economy, and jobs.

To repeat, ANWR could almost double our reserves overnight. Do I know it will? Does anyone? No. But I, again, would take the word of the Clinton administration scientists over the word of the energy experts or fundraising groups. They have never wanted this issue resolved because, as I indicated, they would no longer have the best fundraising issue to lie their way into well-intentioned American wallets.

It would be easy to understand how they might be misled but, as I have indicated, they pulled the wool over the public’s eyes. This is an issue that involves our national energy security. It is a very fundamental issue.

I will conclude by, again, referring to the other organizations—the Veterans of Foreign Wars, the American Legion, Vietnam Veterans Institute—which thinks highly of this for the national security. They do not believe the benefits to our Nation are nonexistent, and they ought to know. They fought the wars.

The House acted on national energy security before September 11. Frankly, they have shown up the Senate. In that body, committees were allowed to advance energy legislation, debate it, and pass it to the floor for further consideration.

Here, the majority leader seized the bill from the committee of jurisdiction, the Energy and Natural Resources Committee, of which I am a ranking member. I used to be chairman. He has seized the bill from the committee of jurisdiction and has substituted his will for the will of the committee. He has bypassed the committee process entirely.

I am very disappointed that we were not able to bring around the majority to recognize this matter should go to the committee for consideration and not be taken away from it, but I am not chairman of that committee anymore.

Finally, I offer up this question to the Senate: If, indeed, the benefits to this country were nonexistent, there was so little oil there, then why is there such a huge campaign to deny Americans that oil? We can all ask ourselves why—16 billion barrels of oil, times $30 a barrel, is almost one-half trillion dollars.

It is about $480 billion; $480 billion is nonexistent? If that is the price about the time ANWR comes on line, that means $480 billion stays at home rather than being spent abroad for oil. With that kind of money, we can better provide for our schools, our security, our health care system, our elderly.

Here we are today rising before this body at last to take up an energy bill. The amendment offered by Senator Lott is the underlying legislation. Divisions A through G of the amendment will provide us with the remainder of a comprehensive energy policy to guide this Nation into the future.

As we have indicated specifically, there are two policies to do the following: Reduce our demand for energy, increase our domestic supply of energy, invest in our energy infrastructure, and enhance energy security.

I will go into more detail at a later time.

But for the past decade, America has lacked a comprehensive energy strategy. We are aware of that. Without such a guidebook, our record of economic expansion and resulting growth in demand has outpaced our energy supply. We saw a similar situation last year in the sense of a perfect storm, if you will. All the parts of our energy supply were stretched, and there were limits on output. We actually saw that occur.

As we know, when supply doesn’t meet demand, prices go up. When you have a cartel such as OPEC, they are able to do things that antitrust laws in the United States simply prohibit. They are able to set prices by reducing supply. As we all know, when supply doesn’t meet demand, the price rises.

Rising energy prices have already been blamed by many for putting us into the recession we now face. It is a matter of particular importance that we develop a comprehensive national energy strategy for our economic and our national security.

Under previous control of this body by the Republicans, the Senate had a very aggressive timetable. That timetable was to get a comprehensive energy bill passed by the Fourth of July. We were working on this bill and introducing tort legislation and, shortly after that, the Murkowski-Breaux bipartisan bill and were ready to move. The President’s national energy policy framed the debate.

I can see no reason why the Democrats should not have kept this schedule. But since they took control, we have had a few hearings and heard from some of the same witnesses. We started a markup on the bill of the new chairman in August. We engaged in good-faith discussions to come to a consensus only to find our committee stripped of its jurisdiction by the majority leader because he pulled the plug on the Energy Committee’s deliberations and simply took over the process bypassing the authorizing committee and bypassing Senator Bingaman, who is the chairman. I can only guess why.

We had the votes in committee to pass out an energy bill. We asked the majority leader, Senator Daschle, for a date certain. We engaged in good-faith discussions to come to a consensus only to find our committee stripped of its jurisdiction by the majority leader because he pulled the plug on the Energy Committee’s deliberations and simply took over the process bypassing the authorizing committee and bypassing Senator Bingaman, who is the chairman. I can only guess why.

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passed the House. That is before us. It is up to us to address whether we are going to simply walk out of here without an energy policy or take this up seriously, vote it out, get it to conference, and respond to the request of our President.

We have seen threats of filibusters, suspension of committee activities, and a failure to give the American people a fair, open, and honest debate on this issue. I do not think, and I refuse to accept, that meeting the energy needs of this Nation is a partisan issue.

At the beginning of the session, I sought out my colleagues on the other side of the aisle for their ideas and suggestions. And as committee chairman, I delayed introducing any legislation until a measure could be developed that reflected their interests. We worked hard on that.

S. 389, while not perfect, met that requirement and remains the only bipartisan energy measure introduced in the Senate.

At a time when the country is seeking unity and bipartisanship, we should be moving forward with a bipartisan energy bill. Just as we did last year with electrical grid security, we should put the contentious issues to a fair and open debate, and vote on them.

Repeatedly, the President has called on Congress to pass energy legislation as a part of our efforts to enhance national security.

With H.R. 4, the bill now sitting on the Senate calendar, the House of Representatives has done its job. Now it's the Senate's turn. The best thing we can do to ensure this Nation's energy security is to act now: take up the House bill, amend it, and go to conference.

Make no mistake about it. That is what we should do. This energy policy proposal will create new jobs in domestic production and new energy technologies. This will be a significant economic stimulus that couldn't come any sooner—when the economy needs thousands of new jobs.

At stake are billions of dollars in construction spending, hundreds of thousands of jobs, and billions of dollars that won't go overseas in future energy spending.

Our increasing dependence on foreign oil helps to support the very terrorists we must defeat in the Middle East and elsewhere. We import nearly a million barrels per day of oil from Iraq, and some of our oil payments to Saudi Arabia may have been used against us in the events of September 11.

As a matter of national importance, we cannot allow our energy security to be bogged down in partisanship and procedural maneuvers. One of the purposes of committees is to test various proposals and to provide the Senate with considered recommendation. A majority of members of the Energy Committee have been willing to provide this advice—and report out a bill. Yet the majority leader and the committee chairman have seen fit to "short-circuit" the regular order to avoid votes on certain issues. These votes would prevail if we could get the matter up in the committee.

The American people deserve better than this. Today marks yet another partisan infringement on energy issues. We certainly need to provide for the security of our energy supply. We need to deal with our infrastructure and our domestic capacity for development, refining and transportation and transmission. And we should take those steps that we can all agree on to promote the energy technologies of the next decade and beyond.

Our Nation deserves a fair, honest, and open debate on all aspects of the important energy issues, including ANWR. This is a debate that a majority of members were ready to have in committee, but that opportunity was denied us. We are ready to have that debate and let the votes fall where they may on all the contentious issues that remain.

So let us now finally—since we are on the bill—have this debate so we can look the American people—our constituents—in the eye when we go home for the holidays and say that we have, in the national interest, an energy bill, H.R. 4, which passed the House overwhelmingly; and then tell them we are going to do our part to provide safe, secure, and affordable energy supplies now and into the future.

At this critical point in our Nation's history, we clearly need a national energy strategy to ensure a stable, reliable, and affordable energy supply.

While many choices have been forced upon us in the aftermath of September 11, we now have the chance to choose our energy future. The other alternative is simply to dodge the issue. Will we have the courage to act? Will we have the courage to make the difficult decisions we avoided some 10 years ago?

In 1995, ANWR was in the omnibus bill. It was an energy bill. It passed this body. It was vetoed by the President. Had he signed that order, we would know what was in ANWR. We could be producing from ANWR. The question is, When are we going to start?

As the President said, there was a good bill passed out of the House of Representatives. Now it is the job of the Senate. The Senate can and must act.

I hope my colleagues will join me in voting for this amendment to ensure the security of our energy supply, our economy, and our Nation for years to come.

I thank the Chair for being patient. We are going to be back on this tomorrow. I thank the majority whip for his indulgence as well.

Mr. REID. Before my friend, the distinguished Senator from Alaska, leaves the Chamber, I did want to say that I was a little disappointed, when he went over the reserves in various States, that he said Nevada had nothing.

Mr. MURKOWSKI. I think the termology is "inexistent."

Mr. REID. Inexistent? The reason I mention that is for a number of years, Nevada was the largest single producing oil well in the United States in a place called Railroad Valley. The well went dry about 8 or 9 years ago. But for 6 years it was the best in the country.

Mr. MURKOWSKI. I was talking about current reserves, so there very well may have been a well in Nevada, but there isn't anymore.

Mr. REID. That we have found yet.

Mr. ENZI. Mr. President, I rise today in support of the Railroad Retirement and Survivor's Improvement Act of 2001. As a Senator from Wyoming, I represent a State that bears the undeniable mark of the railroads. Many of the towns across the southern corridor of my State were at the sites of old railroad shanty towns. These shanty towns were constructed to house the workers that built the railroads. The railroad workers brought diversity to Wyoming. Many of my constituents with Chinese, Irish, and Welsh roots call Wyoming home because their ancestors moved there with the railroad.

The railroad is still an integral part of Wyoming today. It transports one of our greatest energy resources, low-sulfur coal, to States that lack our power supply. And today's railroad workers are still an important part of the Wyoming population. I support this bill because I support providing the survivors of railroad employees with the benefits they require to live out their days in my State and other States. I support this bill for another reason; it is a viable option to provide solvency to the railroad retirement fund and increase retirement benefits and while lowering existing taxes.

These two results may sound mutually exclusive, but I assure you that they are not. The bill authorizes the newly created Railroad Retirement Trust Fund to invest the current Railroad Retirement Account in securities, including stocks and bonds. Even a conservative estimate places the rate of return on these investments as greater than the current rate of return in government accounts. This is the mechanism that will allow the benefits to increase while taxes decrease.

As an accountant, I refrained from sponsoring the bill until I reviewed the actuarial report. After examining the report, I determined that the Railroad Retirement Trust Fund would remain fully funded and that the benefits under this legislation far into the future. The actuarial report indicated that this would occur even during mediocre economic conditions.

This bill would directly benefit Wyoming railroad workers and their spouses by allowing 100 percent benefits for survivors of eligible retirees. It would lower the retirement age from 62 to 60

Mr. REID. It was an energy bill. It passed in the national interest, and it was right. It was an energy bill. It passed the Senate. The Senate can and must act.
years for employees that have worked at least 30 years for the railroad. Some of my colleagues have asked why we should lower the railroad retirement age when the Social Security retirement age is increasing from 65 to 67. It is important to make a distinction between Tier I and Tier II benefits in this plan. Tier I benefits are comparable to Social Security benefits, and they do not start paying until the equivalent Social Security benefits are paid. Currently, that is at age 65. Tier II benefits of 2 percent are only paid, if the railroad employers and employees, pay the early retirement benefits for eligible workers. This is very similar to the bridge plan offered by private pension plans. This is important because railroading is a physically rigorous profession that ages a body prematurely and is still considered hazardous.

This legislation includes an automatic tax trigger that initiates an increase or decrease of the employer's taxes if the trust fund's amount moves outside of preset barriers. The barriers would ensure that a cushion of 4 to 6 years' worth of benefits payable remain in the account. A number of my colleagues have presented graphs that show benefit levels falling and employer taxes increasing 20 years after the program is initiated. I do not dispute this. In fact, it shows the fund's ability to manage itself and respond to decreases in its cushion.

As a Wyoming Senator and an accountant, I support the Railroad Retirement and Survivor's Improvement Act. I support it as a responsible way to manage the funds entrusted to us by the railroad workers, I support it as a way to fully care for the individuals that have contributed so much to our nation's infrastructure. I ask that my colleagues do the same and pass this bill.

SERVICE MEMBERS OPPORTUNITY COLLEGES

Mr. THURMOND. Mr. President, it is with great pleasure that I rise to bring to the attention of the Senate a true national asset, the Service Members Opportunity Colleges (SOC). The SOC is a consortium of over 1500 Colleges and Universities across the Nation that have taken on the privilege of educating our Nation's men and women in uniform.

Founded in 1972 the SOC was created to provide educational opportunities to service members, who, because they frequently moved from place to place, had trouble completing college degrees.

In fulfilling this primary role the SOC and their member institutions currently serve hundreds of thousands of service members. They work very hard to provide opportunities for our brave young men and women to educate themselves while serving our Nation. Consequently the SOC is helping prepare the future leaders of our military and our country. For this I salute them.

However, in addition to their stated mission the SOC, and their director Dr. Steven Kime, have dedicated themselves to ensuring that our men and women in the Guard and Reserve are taken care of. Our Nation calls upon them and they are forced to leave school. The SOC does this by using their extensive network to ensure that students called to service are either refunded their tuition or receive credits for later courses. It is their hard work and dedication network SOC has helped create a sense of duty among their member institutions who regularly prove their devotion to this Nation by providing help and assistance to their students called upon to serve.

Consequently SOC has ensured that our brave young men and women called to active duty have one less worry on their already heavy shoulders. In these trying times it is this type of duty and service by our dedicated institution and personnel that the American people are without equal.

Again, I would like to offer my thanks and admiration to the Servicemembers Opportunity Colleges and their men and women working so hard to make life better for our men and women in uniform.

ANOTHER REASON TO CLOSE THE GUN SHOW LOOPHOLE

Mr. LEVIN. Mr. President, I would like to enter into the RECORD some important information about guns and terrorists. Currently, shoppers at gun shows may choose to buy firearms from federally licensed firearms dealers—or from unlicensed dealers. Since unlicensed sellers are not required to run Brady background checks, which involves an instant background check for among other things, criminal history, outstanding warrants and illegal immigration status, gun shows are an important source of guns for criminals and terrorists who would not be able to buy weapons in a store. In fact, several cases have linked the purchase of guns at gun shows to terrorists. For example, in Florida, a man accused of hav- ing ties to the Irish Republican Army testified that he purchased thousands of dollars worth of machine guns, rifles, and high-powered ammunition at gun shows and proceeded to smuggle them to Ireland. Now more than ever, and in this critical campaign season, I urge my fellow Senators to support bringing to the floor legislation that will close the gun show loophole.

MAJOR GENERAL PAUL A. WEAVER, JR.

Mr. STEVENS. Mr. President, I would like to take a moment to recognize one of the finest officers in our Armed Forces, Major General Paul A. Weaver, Jr., the Director of the Air National Guard. Well known and respected by many Members in this chamber, General Weaver will soon retire after almost 35 years of selfless service to our country. Today, I am honored to acknowledge some of General Weaver's distinguished accomplishments and to commend the superb service he has provided to the Air National Guard, the Air Force, and our great Nation.

After completing his Bachelor of Science degree in Communicative Arts at Ithaca College, New York, Paul Weaver entered the Air Force in 1967 and was commissioned through Officer Training School. After serving as a pilot, he flew assignments in the F-4E and O-2A, and completed overseas tours in Germany and Korea.

In 1975, he joined the New York Air National Guard with which he served in increasing levels of responsibility. This culminated when he took command of the 105th Airlift Group at Stewart Air National Guard Base, New York, in 1985. Following his nine years as commander, General Weaver served as the Director of the Air National Guard for four years and was appointed the Director of the Air Guard in 1998.

General Weaver is a command pilot with more than 2,800 flying hours in five different aircraft. He is a veteran of Operations Desert Shield, Desert Storm, and Just Cause. General Weaver's decorations include the Distinguished Service Medal, the Legion of Merit, Meritorious Service Medal, Aerial Achievement Medal, Air Force Commendation Medal, oak leaf clusters, Combat Readiness Medal with Service Star, and Southwest Asia Service Medal with two oak leaf clusters.

While serving as Commander of the 105th Airlift Wing, Paul Weaver was responsible for the largest conversion in the history of the Air National Guard. Under his command, the wing converted from the Air Force's smallest aircraft, the O-2 Skymaster, to its largest, the C-5 Galaxy, in this conversion, he oversaw the largest military construction program in the history of the reserve forces as it literally rebuilt Stewart Air National Guard Base.

As the Air National Guard's Director, General Weaver's accomplishments are also noteworthy. He had dedicated each year of his term to a different theme—transition, the enlisted force, the family, and employers, thereby providing focus and enhancing four crucial areas. In addition, Paul Weaver's modernization, readiness, people, and infrastructure initiatives have enabled a fuller partnership role in the Air Force's Expeditionary Aerospace Force. The Air Guard achieved all its domestic and global taking on and requirements with a force that is also smaller in size. Under General Weaver's leadership, the Air National Guard is even more relevant, ready, responsive, and accessible than it has ever been.

I would be remiss if I also did not mention that the Air National Guard is also fortunate to have another Weaver contributing to its success. Besides
fully supporting his chosen profession. Paul's wife, Cathylee Weaver has had a major impact on the Air Guard's Family Enrichment programs. With dignity and grace, she dedicated time and attention to Air National Guard families, which led to her being named as Volunteer of the Year of Family Programs. Clearly, the Air National Guard will lose not one, but two, exceptional people.

Let me close by saying that as both its Deputy and Director, General Weaver has made the Air National Guard a stronger and more capable partner for the Air Force. His distinguished and faithful service has provided significant and lasting contributions to our Nation's security. I know the members of the Senate will join me in paying tribute to this outstanding citizen-airman and true patriot upon his retirement from the Air National Guard. We thank General Weaver, and wish him, Cathylee, and the entire Weaver family much health, happiness, and Godspeed.

KIDS TO KIDS: WARM CLOTHING FOR AFGHAN CHILDREN

Mr. JEFFORDS. Mr. President, I would like to draw my Colleagues' attention to an important initiative that is taking shape in Vermont. On Monday of this week, I attended a very special ceremony at Lawrence Barnes School in Burlington to kick off a program called Kids to Kids. The event was organized by Vermont Boy and Girl Scouts and its goal is simple—a drive to collect and send warm clothing to Afghan children. My wife, Liz, and I wholeheartedly agreed to be honorary co-chairs of this program and we are pleased to be part of a mission that involves the Boy Scouts and Girl Scouts, the Islamic Society of Vermont, the National Guard and the business community.

We in Vermont know the importance of being well-prepared for the frigid winter months, and we are fortunate to be in a position to help. But I am particularly pleased that the impetus for this clothing drive has come from the children. Vermonters have always stood eager and ready to lend a hand to those in need, and it fascinates me to see how this tradition passes from one generation to the next. It is the Boy Scouts, Girl Scouts, and school children of Vermont who will make this campaign a success, and the importance of their role cannot be stressed enough.

This campaign is so much more than simply a gesture of good will. It is a matter of saving lives. Thousands of children have fled Afghanistan with nothing more than the clothing on their backs. The flood of Afghan refugees started many years ago, and now there are many thousands of displaced children living in refugee camps.

Many children are suffering under conditions that no child should have to bear. They are hungry and they are cold. With winter setting in, something like a warm winter sweater, which so many of us take for granted, is a luxury item that is far beyond their reach.

From our small State to Afghan refugee camps, the boys and girls of Vermont are proving that they can make a difference. I am certain in their “good turn” will be as rewarding for them as it is for the children of Afghanistan.

NATIVE AMERICAN BREAST AND CERVICAL CANCER TREATMENT TECHNICAL AMENDMENT ACT OF 2001

Mr. BINGAMAN. Mr. President, last evening, the Senate passed by unanimous consent S. 1741, the Native American Breast and Cervical Cancer Treatment Technical Amendment Act of 2001, which I had introduced with Senator McCains and 23 other bipartisan co-sponsors.

S. 1741 is identical to S. 533 and was introduced as a freestanding bill to address a jurisdictional concern raised with the committee referral of the initial bill. Due to the importance of the legislation, the entire Senate agreed to be honorary co-chairs of this program and we are pleased to be part of a mission that involves the Boy Scouts and Girl Scouts, the Islamic Society of Vermont, the National Guard and the business community.

We in Vermont know the importance of being well-prepared for the frigid winter months, and we are fortunate to be in a position to help. But I am particularly pleased that the impetus for this clothing drive has come from the children. Vermonters have always stood eager and ready to lend a hand to those in need, and it fascinates me to see how this tradition passes from one generation to the next. It is the Boy Scouts, Girl Scouts, and school children of Vermont who will make this campaign a success, and the importance of their role cannot be stressed enough.

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Many children are suffering under conditions that no child should have to bear. They are hungry and they are cold. With winter setting in, some-
Chairman INOUYE and Senator CAMPBELL of the Committee on Indian Af-
fairs and Chairman BAUCUS and Senator GRASSLEY of the Finance Com-
mittee for agreeing to move the bill. In addi-
tion, I would like to thank the bill’s sponsors, which include Sen-
ators MCCAIN, DASCHLE, BAUCUS, CLIN-
ton, DOMENICI, FEINGOLD, KENNEDY, JOHNSON, MURRAY, STABENOW, WELLSTONE, HARKIN, MILLER, SNOWE, INOUYE, SMITH of Oregon, CANTWELL, INOFE, LANDRUE, COCHRAN, BOXER, MURKOWSKI, MUKITO, and GRASSLEY for their help in getting the bill passed.

I would also like to thank Sara Rosenbaum at George Washington Uni-
versity for bringing this problem to our attention and for her vast knowledge on this issue and Andy Schneider for his technical advice and counsel on correcting the problem.

In addition, this bill would never have passed without the outstanding support and efforts by Fran Visco, Jeni-


ter, Leticia Arredondo, Wendy Wexler, Joanne Huff, and Vicki Tosher at the National Breast Cancer Coalition, Wendy Selig, Licy Docanto, Brian Lee, and Janet Thomas of the American Cancer Society, Dawn McKinney and her staff at the American College of Obstetricians and Gyne-
cologists, Leigh Ann McGee of the Cherokee Nation, Jacqueline Johnson of the National Congress of American Indians, and the many Indian health organizations that have helped with the passage of the legislation as well. I urge the House to immediately take

up and pass this legislation and for the President to sign it into law to ensure that Native American women are not inappropriately denied treatment for their breast and cervical cancer. As states proceed with the implementa-
tion of last year’s bill, any further delay and failure to act could unecess-
arily threaten the lives of Native American women across this country.

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 in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a sig-

nal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred October 16, 1994 in Salt Lake City, UT. Two women, one lesbian and one bisexual, allegedly were gang raped by a man who yelled anti-
gay slurs. The assailant, Gilberto Arrendondo, 44, was charged with four counts of violating the State hate crime law and four counts of assault.

I believe that Government’s first duty is to defend its citizens, to defend them against an attack that is fueled by hate. The Local Law Enforcement Enhancement Act of 2001 is now a sym-

bol that can become substance. I be-

lieve that by passing this legislation, we can change hearts and minds as well.

ART THERAPY

Mrs. CLINTON. Mr. President, since the terrible tragedies of September 11, many Americans, both adults and children, have been forced to deal with a level of pain and anxiety that most people have never had to endure before. Art therapy—the process of using art therapeutically to treat victims of trauma, illness, physical disability or other personal challenges—has histori-

cally been under recognized as a treat-

ment. However, since September 11, many of us have witnessed its enor-
mous benefits in helping both children and adults alike express their emotions in a very personal, touching way.

While nearly every person in our country has been irrevocably changed by September 11, I believe that we can learn a lot from the children and adults who were at the World Trade Center on that day.

It is often said that children are particularly vulnerable to the long-term emotional consequences that often accompany exposure to trauma. One of the ways in which children have coped with the aftermath of September 11 is by reaching for their inner resources to express what they are feeling.

Children all over the country have created images of World Trade Center towers and the Pentagon decorated with hearts, tears, rainbows, and an-

gels. These simple, yet heartfelt, draw-
ings, which do so much to express the\\n\n
artwork of trauma, have moved us all.

Adults, too, have used creativity to help cope with the difficult emotions that so many are experiencing. I heard the story of a woman who was one of the last people to be rescued from the World Trade Center rubble after being trapped for more than a day. She drew a picture while in intensive care of her-

self under the rubble with angels and God hovering above her. Another vic-
tim of the disaster drew pictures of flowers and spoke about how grateful she was to be alive.

Last June, I had the pleasure of view-

ing an art exhibit here on Capitol Hill in which all of the art was created by patients who were being treated by art therapists. It was a remarkable feat for people coping with such immense per-

sonal pain to be able to produce such works of passion and beauty. Although sometimes the healing qualities of art may be less tangible or obvious than its aesthetic qualities, they may be even more important.

I want to thank art therapists, in New York and every community in America, who are assisting survivors, rescuers, and the bereaved. Throughout the country, there are almost 5,000 trained and credentialed art therapists working in hospitals, nursing homes, schools, and other settings. They are among the army of mental health profes-

sionals who support those suffering from psychological trauma from the attacks, and undoubtedly will continue to serve the needs of individuals coping with subsequent stress disorders.

And that is why I rise today to en-
courage my colleagues in Congress to support the field of art therapy and ex-
pand awareness about this creative form of treatment. At this time of heightened awareness about the impor-
tance of maintaining mental health, we should recognize art therapy as a way to treat those among us who have ex-

perienced trauma.

RAILROAD RETIREMENT

Mr. CRAPO. Mr. President. I am pleased that we are proceeding on the Railroad Retirement and Survivors’ Improvement Act. This important legis-

lation will modernize the retirement system by giving rail employers and employees more responsibility and ac-

countability for a private pension plan. Moreover, the bill permits the reduc-
tion of payroll taxes and improves benefits for widows and widowers.

The overwhelmingly success of to-
day’s vote, which transcended party lines and ideological persuasions, shows what can be accomplished when all parties work together. This was a victory for the workers in the yard, all the railroads and especially for the sur-

vivors of retirees.

I am hopeful that we can build on to-
day’s momentum. This is a smart bill with bipartisan support. The consensus is that it makes sense to modernize the railroad retirement system in a way that increases benefits for railroad reti-

rees and their families.

ADDITIONAL STATEMENTS

TRIBUTE TO HAROLD R. “TUBBY” RAYMOND, HEAD COACH OF THE UNIVERSITY OF DELAWARE FOOTBALL TEAM

Mr. BIDEN. Mr. President, we in Delaware, and especially those of us asso-

ciated with the University of Dela-

ware, engaged in a very proud celebration this fall, when on November 10, Harold “Tubby” Raymond won his 300th game as head coach of the University’s Fightin’ Blue Hens football team.

The win put Coach Raymond into some very elite company, as he became the ninth ranked college coach in all-
time wins, fifth among active coaches, second among division I-AA coaches, and one of only four coaches in the 300-

wins club to have won all of his games at one school.

Coach Raymond came to the University of Delaware in 1954; to put that in perspective, it means that he had al-

ready been coaching at Delaware, as an assistant in football and head coach in baseball, for six years when I arrived on campus as a college freshman. With apologies to my New England col-

leagues, we stole Tubby from the Uni-

versity of Maine, where he had coached
with his fellow University of Michigan alumnus and later College Football Hall of Famer, Dave Nelson. If you've ever seen the University of Delaware football helmets, you know that Coach Nelson and Raymond never forgot their Michigan roots.

After serving as Dave Nelson's backfield coach for 12 years, Tubby Raymond took over the head coaching job in 1966, leading that first team to a 6–3 record and the first of three Middle Atlantic Conference University Division championships. In his 36-year career as Delaware's head coach, Tubby has gone on to win three national championships, including back-to-back titles in 1971 and ’72, and has led Delaware to the national playoffs a total of 16 times, five in Division II and 11 in Division I-AA. His teams have earned 14 Lambert Cup eastern college championships, and have won six Atlantic 10/Yankee Conference titles, five Boardwalk Bowls and nine ECAC Team of the Year Awards.

Tubby Raymond's career record stands at 300–119–3, a winning percentage of .714. He is one of only two college division coaches ever to win consecutive American Coaches Association Coach of the Year honors. He was named NCAA Division II Coach of the Year by ABC Sports and Chevrolet in 1979, following his third national championship season. He is all told, a seven-time honoree as AFCA College Division District II, now I-AA Region 1, Coach of the Year; and he has been twice named as the New York Writers Association ECAC I-AA Coach of the Year. In 1998, Coach Raymond received the Vince Lombardi Foundation Lifetime Achievement Award, and in 2000, he was recognized by Sports Illustrated as one of Delaware's top 10 sports figures of the 20th Century.

Most incredibly of all, all the records and championships and statistics, as phenomenally impressive as they are, don't tell the full story of Tubby Raymond's stature and influence on his players, the University, his sport or our State as a whole. Coach Raymond is a leader far beyond the walls of Delaware Stadium; he is respected, admired and beloved by his fellow Delawareans, even those who like to call their own plays from the stands, and even by rival coaches and opposing players. He is an institution, in a word, a legend; in fact, I would say that Tubby Raymond defined the standard of "living legend" in my State.

To top it off, Tubby is a good golfer, though like most of us not as good as he would like to be, and he is also an artist of considerable renown. One of the many ways Tubby expresses his bond to his players has been by painting a portrait of a senior member of the team each week of the season throughout most of his career. Other Raymond originals have been featured at charity auctions and Delaware football media guides. In fact, Tubby's artistic talents have attracted only slightly less national attention than his coaching skills; his paintings have been featured on Good Morning America, NBC Nightly News, Sports Illustrated, CNN and Fox Sports.

To save the best for last, Tubby Raymond is a family man. He lives with his wife, Diane, and daughter, Michelle, and is also the proud father of three grown children from his first marriage to Sue Raymond, who died in 1990. His son, Chris, is a former coach made good as an officer with J.P. Morgan; his daughter, Debbie, is a psychologist; and his son, John, well known himself to sports fans as the Phillie Phanatic, mascot of the Philadelphia Phillies, and now owns Raymond Entertainment.

It is my privilege to share Delaware's pride in Harold "Tubby" Raymond with the Senate and with the Nation today. He is a legendary coach, an inspiring leader, a good friend and a remarkable human being, and to put it simply, we love him.

HONORING POLICE OFFICER DANNY FAULKNER

- Mr. SPECTER. Mr. President, on Sunday, December 9, 2001, at 12 Noon, a commemorative plaque will be committed to the sidewalk at the southeast corner of 13th and Locust Streets in Philadelphia, PA to mark the 20th anniversary of the murder of Police Officer Danny Faulkner at that site.

- Officer Faulkner lost his life protecting the people of Philadelphia from the scourge of violent crime. Our society owes a great debt of gratitude to the Thin Blue Line, the police officers of America who fight criminal violence on the streets of our Nation 24 hours a day, 7 days a week and 52 weeks of the year.

- From my experience as District Attorney of Philadelphia, I know the extraordinary risks faced by law enforcement officers in our communities. The difficult aspects of my District Attorney's duties was the attendance at the funerals of police officers who were killed in the line of duty.

- Following the terrorist attack on September 11, America has been focused on the courage and bravery of the police and firefighters. There is now a better understanding of the risks and performance of firefighters and police for their heroic efforts on September 11.

- The commemoration of the 20th anniversary of Officer Faulkner's murder should inspire us to redouble our efforts to fight all forms of criminal violence, including terrorism, and to pay tribute to the memory of Officer Faulkner and all the police and firefighters of America.

TRIBUTE TO LIEUTENANT SUZANNE R. DEPRIZIO

- Mr. INOUYE. Mr. President, in my years in the Senate, I have had the opportunity to meet and get to know many of our men and women in uniform. I have always been struck by their enthusiasm, determination, patriotism, and professionalism. Yet sometimes, even in such impressive company, you run across an individual who stands out above the rest. Lt. Suzy DePrizio is one of those standouts.

- Lt. DePrizio serves today as the legislative affairs officer for the United States Pacific Command, located in my home State of Hawaii. I've gotten to know Lt. DePrizio on my many trips to the command. Lt. DePrizio has consistently provided the staff and me timely, valuable and accurate information on the critical issues of the day.

- Her energetic determination and competence inspire all those who work with her. Indeed, from my discussions with Admiral Blair, the commander of the Pacific Command, what a high regard the entire staff of PACOM has for this tremendously talented young officer. No matter how difficult the challenge, Suzy DePrizio always steps up to the task. Her behind-the-scenes efforts to prepare for congressional testimony were recognized by those of us in this business as exemplary.

- The CINC was always well prepared because of her efforts.

- I also know from many of my colleagues that traveled into the Pacific region how smoothly their travel went because of her coordination and attention to detail. I would tell them, “ask for Suzy, she’ll get the job done right.” Of course, she always did.

- As Lt. DePrizio prepares to leave active duty in the Navy for a civilian career, I salute her for a job well done.

- On behalf of the Tenth District of Pennsylvania, I want to thank America for sending us proud and patriotic professionals such as Lt. DePrizio. She is certainly among our Nation's finest, and she gave ten-fold compared to what she received. In Hawaii, we have traditions and blessings, one of which is the spirit of Aloha,—not just hello or goodbye or love, but the spirit of giving. When you put it together with the word 'aina, it becomes the Hawaiian phrase for patriotism. And, if there ever was an officer who had the spirit of aloha' aina for the Congress, the Armed Forces and for America, it is Lt. Suzy DePrizio. In that spirit, we send her on her way, wishing her fair winds and following seas in everything she does.

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.)
MESSAGES FROM THE HOUSE

At 3:33 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3338. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes.
H.R. 2722. An act to implement a system of requirements on the importation of diamonds, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 77. Concurrent resolution expressing the sense of the Congress regarding the efforts of people of the United States of Korean ancestry to reunite with their family members in North Korea.

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3338. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes; to the Committee on Appropriations.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 77. Concurrent resolution expressing the sense of the Congress regarding the efforts of people of the United States of Korean ancestry to reunite with their family members in North Korea; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the second time, and placed on the calendar:

H.R. 3189. An act to extend the Export Administration Act of 1954, and for other purposes.
H.R. 2722. An act to implement a system of requirements on the importation of diamonds, and for other purposes; to the Committee on Appropriations.

MEASURES READ THE FIRST TIME

The following bills were read the first time:

H.R. 2722. An act to implement a system of requirements on the importation of diamonds, and for other purposes.
H.R. 3189. An act to extend the Export Administration Act of 1954, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4597. A communication from the Acting Director of the Office of National Drug Control Policy, Department of the Treasury, transmitting, pursuant to law, a report on the Accounting of Drug Control Funds for Fiscal Year 2000; to the Committee on the Judiciary.
EC-4598. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, the semiannual report of the Office of the Inspector General for the period beginning April 1 through September 30, 2001; to the Committee on Governmental Affairs.
EC-4599. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, a report on D.C. Act 28-82, "Chesapeake Regional Olympic Games Authority Act of 2001"; to the Committee on Governmental Affairs.
EC-4600. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, twenty-nine quarterly exception selected Acquirer period ending September 30, 2001; to the Committee on Armed Services.
EC-4601. A communication from the Secretary of the Navy, transmitting, pursuant to law, a report relative to the LDP 17 Program Life Cycle Cost Estimate; to the Committee on Armed Services.
EC-4602. A communication from the President of the United States, transmitting, pursuant to law, a six-month periodic report on the national emergency with respect to Burma that was declared in Executive Order 13047 of May 20, 1997; to the Committee on Banking, Housing, and Urban Affairs.
EC-4603. A communication from the Board of the Federal Reserve, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Office of Thrift Supervision, transmitting, jointly, a report on Review of Regulations Affecting Online Delivery of Financial Products and Services; to the Committee on Banking, Housing, and Urban Affairs.
EC-4604. A communication from the Assistant to the Federal Reserve Board, transmitting, pursuant to law, the report of a rule entitled "Regulations H and Y—Risk-Based Capital Guidelines; Capital Adequacy Guidelines; Capital Treatment of Recourse, Direct Credit Substitutes and Residual Interests in Asset Securitizations" (Doc. No. R-1555) received on November 27, 2001; to the Committee on Banking, Housing, and Urban Affairs.
EC-4605. A communication from the President of the United States (received and referred on November 29, 2001), transmitting, pursuant to law, the report of a rule entitled "Importation of Goods; Exempting Certain Goods from the Prohibition Against the Importation of Goods for Useful Arts and Crafts Producing Articles of Wood or Other Plant Materials from the People's Republic of China; Pursuant to the Trade Act of 1974" (FRL 6794-3) received on November 29, 2001; to the Committee on the Judiciary.
EC-4606. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.
EC-4607. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.
EC-4608. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, the semiannual report of the Office of the Inspector General for the period beginning April 1 through September 30, 2001; to the Committee on Governmental Affairs.
EC-4609. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.
EC-4610. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.
EC-4611. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50,000,000 or more to Japan; to the Committee on Foreign Relations.
EC-4612. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Methoxyfenozide: Pesticide Tolerances for Emergency Exemptions" (FRL6806-4) received on November 16, 2001; to the Committee on Agriculture, Nutrition, and Forestry.
EC-4613. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Imidacloprid; Pesticide Tolerances for Emergency Exemptions" (FRL6807-1) received on November 16, 2001; to the Committee on Agriculture, Nutrition, and Forestry.
EC-4614. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Methoxyfenozide: Pesticide Tolerances for Emergency Exemptions" (FRL6808-1) received on November 16, 2001; to the Committee on Agriculture, Nutrition, and Forestry.
EC-4615. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Pesticide Active Ingredient Production" (FRL7196-6) received on November 20, 2001; to the Committee on Agriculture, Nutrition, and Forestry.
EC-4616. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "NESHAP: Pesticide Active Ingredient Production" (FRL7196-7) received on November 20, 2001; to the Committee on Agriculture, Nutrition, and Forestry.
EC-4617. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Azoxystrobin: Pesticide Tolerances for Emergency Exemptions" (FRL6809-3) received on November 20, 2001; to the Committee on Agriculture, Nutrition, and Forestry.
EC-4618. A communication from the Acting Assistant Director of Communications, Bureau of Land Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Interim Final Supplementary Rules on Bureau of Land Management Public Lands within the Imperial Sand Dunes Recreation Area" received on November 19, 2001; to the Committee on Energy and Natural Resources.
EC-4619. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Emergency Adjunct Acquisition (EAA)" received on November 19, 2001; to the Committee on Energy and Natural Resources.
EC–4620. A communication from the Acting Director of the Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled “Intrinsically Safe Mine Ventilation: Mine Dust” (RIN2090–A170) received on November 19, 2001; to the Committee on Energy and Natural Resources.

EC–4621. A communication from the Acting Director of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled “Montana Regulatory Program” (MT–022–F045) received on November 19, 2001; to the Committee on Energy and Natural Resources.

EC–4622. A communication from the Assistant Secretary of the Interior, Bureau of Land Management, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled “Mineral Materials Use; Reclamation and Disposal” (RIN1044–A129) received on November 19, 2001; to the Committee on Energy and Natural Resources.

EC–4623. A communication from the Assistant General Counsel for Regulatory Law, Office of Procurement and Assistance Policy, Department of Energy, transmitting, pursuant to law, the report of a rule entitled “Management of Report Deliverables” (FAL 2001–04) received on November 20, 2001; to the Committee on Energy and Natural Resources.

EC–4624. A communication from the Assistant General Counsel for Regulatory Law, Office of Procurement and Assistance Policy, Department of Energy, transmitting, pursuant to law, the report of a rule entitled “Energy Conservation Program for Consumer Products: Amendment to the Definition of Electric Motor” (RIN1062–A183) received on November 20, 2001; to the Committee on Energy and Natural Resources.

EC–4625. A communication from the Assistant General Counsel for Regulatory Law, Office of Procurement and Assistance Policy, Department of Energy, transmitting, pursuant to law, the report of a rule entitled “Energy Efficiency Program for Certain Commercial and Industrial Equipment: Extension of Time for Electric Motor Manufacturers To Certify Compliance With Energy Efficiency Standards” (RIN1904–A111) received on November 20, 2001; to the Committee on Energy and Natural Resources.

EC–4626. A communication from the Attorney Advisor of the National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Insurer Reports Required to File Reports” (RIN2127–A107) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4627. A communication from the Senior Regulations Analyst, Office of the Secretary of Transportation, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Procedures for Compensations of Air Carriers” (RIN2155–A906) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4630. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations: New Rochelle Harbor, NY” (RIN2115–A115) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4631. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Regulated Navigation Areas; New York Marine Inspection Zone and Captain of the Port Zone” (RIN2115–A138) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4632. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Prince William Sound Captain of the Port Zone, Alaska” (RIN2115–A147) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4633. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Inner Harbor Navigation Canal, LA” (RIN2115–A149) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4634. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations: Newton Creek, Dutch Kills, English Kills and their Tributaries, NY” (RIN2115–A151) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4635. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations: Dorchester Bay, MA” (RIN2115–A153) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4636. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations: Lake Michigan, Chicago, IL” (RIN2115–A155) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4637. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Regulated Navigation Areas; Boston Marine Inspection Zone and Captain of the Port Zone” (RIN2115–A157) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4639. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Regulated Navigation Area; Savannah River, Georgia” (RIN2115–A160) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4640. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Regulated Navigation Zones; Los Angeles Harbor, Los Angeles, CA and Avila Beach, CA” (RIN2115–A161) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4641. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Route 1 Basque Bridge, Mystic River, Mystic, CT” (RIN2115–A162) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4642. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Port Valdez, Alaska” (RIN2115–A163) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4643. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Port Valdez, Alaska, Southeast of Narrow Cape, Kodiak Island, AK” (RIN2115–A164) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4644. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Trans-Alaska Pipeline Valdez terminal complex, Valdez, Alaska” (RIN2115–A165) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4645. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Lake Michigan, Chicago, IL” (RIN2115–A167) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4646. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Los Angeles Harbor, Los Angeles, CA and Avila Beach, CA” (RIN2115–A169) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4647. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Regatta notifications...”
Regulations: SLR; Charleston Christmas Boat Parade and Fireworks Display, Charleston Harbor, Charleston, SC (RIN2115-AE46)(2001-0034) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4648. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Regatta Regulations; SLR; Waverly Hotel Fireworks Display, St. Petersburg, FL” (RIN2115-AE46)(2001-0035) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4649. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Harlema River, Newtown Creek, NY” (RIN2115-AE47)(2001-0112) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4650. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; 94 Bridge, Fork of the New River, mile 4.4, Ft. Lauderdale, Broward County, Florida” (RIN2115-AE47)(2001-0111) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4651. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Verrazano Narrows Bridge, NY” (RIN2115-AE47)(2001-0135) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4652. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; San Francisco Bay, San Francisco, CA and Oakland, CA” (RIN2115-AE47)(2001-0136) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4653. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Salt Locks, St. Mary’s River, Sault Ste. Marie, MI” (RIN2115-AE47)(2001-0137) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4654. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Certification of Navigation Lights for Uninspected Commercial Vessels and Recreational Vessels” (RIN2115-AF70) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4655. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; The Icebreaker Youth Rowing Championship—Boston Harbor, Boston, Massachusetts” (RIN2115-AE47)(2001-0138) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4656. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; San Diego Bay” (RIN2115-AE47)(2001-0119) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4657. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Old Lyme Fireworks Display” (RIN2115-AE47)(2001-0098) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4658. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Coast Guard Force Protection for Station Jonesport, Jonesport, Maine” (RIN2115-AE47)(2001-0099) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4659. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Oauchita River, LA” (RIN2115-AE47)(2001-0106) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4660. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; New Jersey Intracoastal Waterway, Cape Mary Canal” (RIN2115-AE47)(2001-0107) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4661. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Lake Washington, WA” (RIN2115-AE47)(2001-0108) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4662. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Lake Washington, WA” (RIN2115-AE47)(2001-0109) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4663. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Port of Jacksonville” (RIN2115-AE47)(2001-0110) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4664. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Hammond River, NH” (RIN2115-AE47)(2001-0112) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4665. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Chehalis River, WA” (RIN2115-AE47)(2001-0113) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4666. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Delta Bay and River” (RIN2115-AE47)(2001-0114) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4667. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; DOD Barge Flo-tilla, Cumberland City, TN to Alexandria, LA” (RIN2115-AE47)(2001-0121) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4668. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Delaware Bay and River” (RIN2115-AE47)(2001-0122) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4669. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Naval Force Pro-tective Operations, Bath, Maine” (RIN2115-AE47)(2001-0120) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4670. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; Gulf of Alaska, vicinity of Narrow Island, Southwest of Kodiak Island, Alasks” (RIN2115-AE47)(2001-0118) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4671. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Duwamish Waterway, WA” (RIN2115-AE47)(2001-0101) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4672. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations; San Francisco, CA” (RIN2115-AE47)(2001-0102) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4673. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Drawbridge Regulations; Newport Naval Sta-tion, Newport, RI” (RIN2115-AE47)(2001-0123) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4674. A communication from the Chief of Regulations and Administrative Law,
United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations: Port of New York/New Jersey Harbor, Marine Terminal Area, A-A7” (RIN2115-AA97)(2001-0123) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4675. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations: Lake Michigan, Point Beach Nuclear Power, Plant WI” (RIN2115-AA97)(2001-0130) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4684. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Safety/Security Zone Regulations: Lake Erie, Perry, Ohio” (RIN2120-AD4)(2001-0549) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4685. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Boeing Model 727 Series Airplanes” (RIN2120-AD4)(2001-0544) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4686. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Raytheon Model Beech 400A Series Airplanes” (RIN2120-AD4)(2001-0543) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4687. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Pratt and Whitney Aircraft Engines” (RIN2120-AD4)(2001-0542) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4688. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Fairchild Aircraft, Inc. Models SA226 and SA227 Series Airplanes” (RIN2120-AD4)(2001-0541) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4689. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Fokker Model F28 Mark 1000, 2000, 3000, and 4000 Series Airplanes” (RIN2120-AD4)(2001-0540) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4690. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Boeing Model 757 Series Airplanes” (RIN2120-AD4)(2001-0539) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4691. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Robinson Model R22 and R22A Helicopters” (RIN2120-AD4)(2001-0538) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4692. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: BMW Rolls Royce GmbH Models BR770, BR710, and BR712 Turbines and RB211 Engines” (RIN2120-AD4)(2001-0537) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4693. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: McDonnell Douglas Model DC 9 Series Airplanes and MD 80 Airplanes” (RIN2120-AD4)(2001-0536) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4694. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Airbus Model A319 and A320 Series Airplanes” (RIN2120-AD4)(2001-0535) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4695. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Raytheon Aircraft Company Model 99, 99A, 99B, 100, 100A, 100B, 100C, and 100D Airplanes” (RIN2120-AD4)(2001-0534) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4696. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Boeing Model 747 Series Airplanes” (RIN2120-AD4)(2001-0533) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4697. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Bell Helicopter Textron Canada Model 222, 222B, 222U, 230, and 430 Helicopters” (RIN2120-AD4)(2001-0532) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4698. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Raytheon Aircraft Company Model FS3A, B331, B331C, C90A, B200, and 1900D Airplanes” (RIN2120-AD4)(2001-0531) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4699. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Boeing Model 767 Series Airplanes” (RIN2120-AD4)(2001-0530) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4700. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Bell Helicopter Textron Canada Model 206B3 LongRanger” (RIN2120-AD4)(2001-0529) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4701. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Bell Helicopter Textron Canada Model 206B3 LongRanger” (RIN2120-AD4)(2001-0528) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.
transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Dowty Aerospace Propellers Model R3816-123 F/5 Propellers” ((RIN2120-AA64)(2001-0513)) received on November 16, 2001, to the Committee on Commerce, Science, and Transportation.

EC-4702. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Bombardier Model DHC 8-100, 200, and 300 Airplane” ((RIN2120-AA64)(2001-0514)) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4703. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Boeing Model 777-200 and 300 Series Airplanes” ((RIN2120-AA64)(2001-0515)) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4704. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Eurocopter France Model SA315B, SA316C, SA319B, SA319B, SA319B, SE3150, and SA316B Helicopters” ((RIN2120-AA65)(2001-0508)) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4706. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Eurocopter France Model AS 365N3 Helicopters” ((RIN2120-AA66)(2001-0516)) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4707. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: Israel Aircraft Industries, Ltd., Model 1125 Westwind Astra Series Airplanes” ((RIN2120-AA64)(2001-0517)) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4708. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: McDonnell Douglas Model DC 9 81, 82, 83, and 87 Series Airplanes, and Model MD 88 Airplanes” ((RIN2120-AA64)(2001-0509)) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

EC-4710. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “IFR Altitudes; Miscellaneous Regulations” ((RIN2120-AA65)(2001-0006)) received on November 16, 2001; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Environment and Public Works:

Special Report entitled “Report to the Senate—Joint Committee on Environment and Public Works for the One Hundred Sixth Congress” (Rept. No. 107-100).

By Mr. LIEBERMAN, from the Committee on Governmental Affairs, an amendment in the nature of a substitute and an amendment to the title:

H.R. 1499: A bill to amend the District of Columbia College Access Act of 1999 to permit individuals who graduated from a secondary school prior to 1998 and individuals who completed 9th grade and continued their education more than 3 years after graduating from a secondary school to participate in the tuition assistance programs under such Act, and for other purposes. (Rept. No. 107-101).

By Mr. LIEBERMAN, from the Committee on Governmental Affairs, without amendment:

H.R. 2199: A bill to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, and for other purposes. (Rept. No. 107-103).

By Mr. LEAHY, from the Committee on the Judiciary, without amendment and with a preamble:

H.R. 4711. A concurrent resolution expressing the sense of the Congress that the President should issue a proclamation recognizing a National Lao-Hmong Recognition Day.

S. RES. 140: A resolution designating the week beginning September 15, 2002, as “National Civic Participation Week”.

S. 986: A bill to allow media coverage of court proceedings.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LEVIN, for the Committee on Armed Services:

Army nominations beginning Col. Elder Granger and ending Col. George W. Wetherbee, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 4, 2001. Army nominations beginning Colonel Byron S. Bagby and ending Colonel Howard W. Yellen, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 4, 2001. Army nominations beginning Colonel Dennis A. Cavigli, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 4, 2001. Army nominations beginning Colonel A. Wright.


Mr. LEVIN, Mr. President, for the Committee on Armed Services I report favorably the following nomination lists which were printed in the RECORDS on the dates indicated, and ask unanimous consent to the expense of reprinting the Executive Calendar that these nominations lie at the Secretary's desk for the information of Senators.
The PRESIDING OFFICER. Without objection, it is so ordered.

Army nominations beginning ROBERT A. JOHNSON and ending JOHN T. WASHINGTON III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 30, 2001.

Air Force nominations beginning CESARIO F. FERRER JR. and ending RAY-MONE HOWELL, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 30, 2001.

Army nominations beginning SAMUEL CALDIER, FRANK E. WISMER III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 30, 2001.

Navy nomination starting BRADFORD W. BAKER and ending DAVID J. WICKERSHAM, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 30, 2001.

Army nomination of Carol E. Pilat.

Army nomination of Illuminada S. Calicdan.

Army nomination of *James W. Ware.

Army nomination of Mee S. Paek.

Army nominations beginning MARION S. CORNWELL, and ending GARY L. WHITE, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 15, 2001.

Army nominations beginning CHERYL A. ADAMS and ending DEBBIE T. WINTERS, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 15, 2001.

Army nominations beginning WILLIE J. ATKINSON and ending WILLEM P. VANDEMERE, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on November 15, 2001.

Army nominations beginning ROBERT A. JOHNSON and ending JOHN T. WASHINGTON III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 30, 2001.

Coast Guard nominations beginning Albert R. Abrini and ending Jose M. Zuniga, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on October 30, 2001.

By Mr. LEAHEY for the Committee on the Judiciary.

Harris L. Hartz, of New Mexico, to be United States Circuit Judge for the Tenth Circuit.

Danny C. Reeves, of Kentucky, to be United States District Judge for the Eastern District of Kentucky.

John D. Bates, of Maryland, to be United States District Judge for the District of Columbia.

Kurt D. Engelhardt, of Louisiana, to be United States District Judge for the District of Louisiana.

Joe L. Heaton, of Oklahoma, to be United States District Judge for the Western District of Oklahoma.

William P. Johnson, of New Mexico, to be United States District Judge for the District of New Mexico.

Thomas L. Sansonetti, of Wyoming, to be an Assistant Attorney General.

James Edward Bogas, of California, to be Under Secretary for Intellectual Property and Director of the United States Patent and Trademark Office.

Edward Hitchcock Kubo, Jr., of Hawaii, to be United States District Judge for the District of Hawaii for the term of four years.

Sheldon J. Sperling, of Oklahoma, to be United States Attorney for the Eastern District of Oklahoma for the term of four years.

Frederick J. Martone, of Arizona, to be United States District Judge for the District of Arizona.

Julie A. Robinson, of Kansas, to be United States District Judge for the District of Kansas.

Clay D. Land, of Georgia, to be United States District Judge for the Middle District of Georgia.

David E. O’Melia, of Oklahoma, to be United States Attorney for the Northern District of Oklahoma for the term of four years.

David R. Dugas, of Louisiana, to be United States Attorney for the Middle District of Louisiana for the term of four years.

James A. McDevitt, of Washington, to be United States Attorney for the Eastern District of Washington for the term of four years.

Johnny Keane Sutton, of Texas, to be United States Attorney for the Western District of Texas for the term of four years.

Richard S. Thompson, of Georgia, to be United States Attorney for the Southern District of Georgia for the term of four years.

*Nomination was reported with recommendation that it be confirmed subject to the nominee’s commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

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 Ms. CANTWELL:

S. 1742. A bill to prevent the crime of identity theft, mitigate the harm to individuals victimized by identity theft, and for other purposes; to the Committee on the Judiciary.

By Mr. HOLLINGS (for himself, Mrs. Mikulski, Mr. Boren, and Mr. Wyden):

S. 1743. A bill to create a temporary reinsurance mechanism to enhance the availability of terrorism insurance; to the Committee on Commerce, Science, and Transportation.

By Mr. MCCAIN:

S. 1744. A bill to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; to the Committee on Commerce, Science, and Transportation.

By Mrs. LINCOLN (for herself and Mr. COCHRAN):

S. 1745. A bill to delay until at least January 1, 2003, any changes in medicad regulations that modify the medicad upper payment limit for non-State Government-owned or operated hospitals; to the Committee on Finance.

By Mr. REID (for himself, Mrs. CLINTON, Mr. LIEBERMAN, and Mr. JERKERS):


By Mr. HARKIN (for himself and Mr. SPECTER):

S. 1747. A bill to provide funding to improve the security of the American people by protecting against the threat of terrorism; to the Committee on Health, Education, Labor, and Pensions.

ADDITIONAL COSPONSORS

S. 281

At the request of Mr. HAGEL, the name of the Senator from Pennsylvania (Mr. SPECTER) was added as a co-sponsor of S. 281, a bill to authorize the design and construction of a temporary education center at the Vietnam Veterans Memorial.

S. 611

At the request of Ms. MIKULSKI, the name of the Senator from Virginia (Mr. ALLEN) was added as a co-sponsor 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. 683

At the request of Mr. SANTORUM, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a co-sponsor of S. 683, 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. 948

At the request of Mr. LOTT, the name of the Senator from Minnesota (Mr. DAYTON) was added as a co-sponsor of S. 948, a bill to amend title 23, United States Code, to require the Secretary
of Transportation to carry out a grant program for providing financial assistance for local rail line relocation projects, and for other purposes.

S. 1042

At the request of Mr. INOUYE, the name of the Senator from New York (Mrs. Sanders) was added as a cosponsor of S. 1042, a bill to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, and for other purposes.

S. 1142

At the request of Mr. LIEBERMAN, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1142, a bill to amend the Internal Revenue Code of 1986 to repeal the minimum tax preference for exclusion for incentive stock options.

At the request of Mr. BINGMAN, his name was added as a cosponsor of S. 1478, a bill to amend the Animal Welfare Act to improve the treatment of certain animals, and for other purposes.

S. 1493

At the request of Mrs. MURRAY, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 1493, a bill to provide Federal reimbursement to State and local governments for a limited sales, use and occupation tax holiday.

S. 1496

At the request of Mr. BINGMAN, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 1496, a bill to identify certain routes in the States of Texas, Oklahoma, Colorado, and New Mexico as part of the Ports-to-Plains Corridor, a high priority corridor on the National Highway System.

S. 1783

At the request of Mr. MCCAIN, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Alabama (Mr. SHELBY), the Senator from Massachusetts (Mr. KERRY), the Senator from Nebraska (Mr. BAYH), the Senator from Virginia (Mr. WARNER), the Senator from Maine (Ms. COLLINS), the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Virginia (Mr. ALLEN), the Senator from Illinois (Mr. FITZGERALD), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mr. ROBERTS), the Senator from Nevada (Mr. REID), the Senator from Indiana (Mr. LUGAR), the Senator from Florida (Mr. MUBAY), the Senator from Virginia (Mr. WARNER), the Senator from Maine (Ms. COLLINS), the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Virginia (Mr. ALLEN), the Senator from Illinois (Mr. FITZGERALD), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mr. ROBERTS), the Senator from Nevada (Mr. REID), the Senator from Indiana (Mr. LUGAR), the Senator from Florida (Mr. MUBAY), the Senator from Virginia (Mr. WARNER), the Senator from Maine (Ms. COLLINS), the Senator from Utah (Mr. HATCH), the Senator from North Carolina (Mr. HELMS), the Senator from Virginia (Mr. ALLEN), the Senator from Illinois (Mr. FITZGERALD), the Senator from Alaska (Mr. STEVENS), the Senator from Kansas (Mr. ROBERTS), the Senator from Nevada (Mr. REID) were added as cosponsors of amendment No. 2157 intended to be proposed to H.R. 3096, a bill to provide tax incentives for economic recovery.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. CANTWELL:

S. 1742. A bill to prevent the crime of identity theft, mitigate the harm to individuals victimized by identity theft, and for other purposes; to the Committee.

Ms. CANTWELL. Mr. President I rise today to introduce legislation that will help victims of identity theft recover from the injuries to their good name and good credit, the Reclaim Your Identity Act of 2001. Earlier this year, Washington State enacted a law to provide needed help to victims of identity theft that I believe serves as a good model for federal legislation. It gives victims of identity theft the tools they need to restore their good credit rating, requires businesses to make available records relevant to a victim's ability to restore his or her credit, and enables a victim to have fraudulent charges blocked from reporting in their credit report. Currently, Federal law addresses the crime of identity theft, providing penalties for the perpetrator, but no specific assistance to the victim trying to recover their identity. Today I am introducing legislation modeled on the state of Washington law that will do just that, help the victim restore their credit rating and their good name.

We need to do more to fight identity theft, a crime the Federal Trade Commission has described as the Nation's fastest growing. Last year there were over 500,000 new victims of identity theft and, according to the Department of Treasury, reports of identity theft to perpetrate fraud against financial institutions grew by 50 percent from 1999 to 2001. From March through September 2001, the number of ID theft victims contacting the FTC jumped from 45,500 to 69,400—a 50 percent increase in just three months. One in five Americans or a member of their families has been a victim of identity theft. These numbers underscore why I am introducing this legislation today. The problem is particularly apparent in my State of Washington, which ranks in the top 10 for identity theft per capita.

Identity theft is not a violent crime, but its victims suffer real harm and need help to recover their good credit and good name. On average, it takes 12 months for a victim to learn that he or she has been a victim of identity theft. It takes another 175 hours and $808 of out-of-pocket expenses to clear their names. Today, victims of identity theft are forced to become their own sleuths to clear their names, and all too often they do so without the help or support of the businesses that allowed the identity theft to take place. Believe it or not, when your identity is stolen, many businesses won't give you the records you need to reclaim your identity. My bill puts people first by requiring businesses to cooperate with victims.

We already require this in Washington State, thanks to the hard work of Attorney General Chris Gregoire and others. Now we need to take this good idea to the national level and make it work on behalf of many others. When your TV is stolen, you know it was taken from your living room. But when your identity is stolen, it could be stolen from anywhere, and businesses from every State could be involved. That's why we need a Federal solution to this problem.

The Reclaim Your Identity Act empowers consumers by establishing a transparent process victims can use to...
reclaim their identity. Under this bill, a victim of identity theft will have the right to request records related to a fraud based on an identity theft from businesses after proving their identity with a copy of the police report or the Federal coordinating committee. The Reclaim Your Identity Act amends the Fair Credit Reporting Act to require consumer credit reporting agencies to block information that appears on a victim's credit report as a result of identity theft provided the victim did not knowingly obtained money as a result of the blocked transaction.

Businesses too are victims of the fraud perpetrated in conjunction with identity theft. This legislation also provides businesses with new tools to pursue identity thieves by amending Title 18 to make identity theft under State law a predicate for federal RICO violation. This will allow individuals and businesses pursuing a perpetrator of identity theft to seek treble damages and help prosecutors recover stolen assets for businesses victimized by identity theft.

The Reclaim Your Identity Act also gives States additional legal tools by providing that State Attorneys General may bring a suit in Federal court on behalf of State citizens for violation of the Act. Identity theft and the fraud that can result is on the rise. We have the laws to discourage theft, but it is difficult behavior to attack. We have to give the tools to the victims to regain control of their financial life. The Consumers Union, Identity Theft Resource Center, and Privacy Rights Clearinghouse all support this legislation. The Reclaim Your Identity Act of 2001 will help victims of identity theft recover their identity and restore their good credit. I look forward to working with my colleagues to promptly enact this bill into law.

By Mr. HOLLINGS (for himself, Mrs. BOXER, and Mr. WYDEN):

S. 1743. A bill to create a temporary reinsurance mechanism to enhance the availability of terrorism insurance; to the Committee on Commerce, Science, and Transportation.

Mr. HOLLINGS. Mr. President, in light of the efforts to provide additional capacity and reassurance to the insurance industry for terrorism risks without burdening the taxpayer, balanced with the need to protect consumers from excessive increased in commercial insurance rates, I rise today to introduce the National Terrorism Reinsurance Fund Act.

This legislation will create a fund from assessments on the commercial insurance industry as a whole to provide for the purpose of providing a temporary backstop for terrorism losses for primary insurance companies doing business in the U.S. The Fund and assessment mechanisms would provide the first $50 billion of protection for the insurance industry. In addition to this fund, the bill provides a program to provide direct Federal aid on a temporary basis for losses over $50 billion, in order to increase insurance market capacity and ensure the availability of insurance in the event of acts of terrorism.

The overall program is to last for 3 years only and is to be administered by the Secretary of Commerce.

All terrorism-related events causing losses beyond $50 billion will be governed by a direct Federal grant program. Once a company has incurred losses of more than 10 percent of its premiums from the previous year, it can apply for assistance from the Fund and the Federal Government. In the first year, the government will cover up to 90 percent of a company’s losses. For the second and third years, the government will cover up to 80 percent of that company’s losses. This aid will be available up to $40 billion. For events casing losses beyond this amount, the Secretary is required to seek guidance from Congress. Additionally, provisions have been included to ensure the industry shoulders the appropriate financial responsibility and to prevent unreasonable increases in insurance rates.

Simply put the legislation accomplishes the following goals: 1. It provides insurance companies the assistance they need to continue writing terrorism coverage; 2. It ensures the availability of insurance coverage for American businesses and consumers; 3. It avoids an unnecessary and potentially massive bailout of an insurance industry by forcing them to use their own resources to ensure the availability of terrorism reinsurance while setting direct Federal aid at levels sufficient to account for the industry’s current positive capitalization; and 4. It strikes the right balance regarding the interests of industry, taxpayers and the consumers of insurance and the marketplace in general.

I look forward to working with other Senators to obtain swift passage of this important legislation.

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:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “National Terrorism Reinsurance Fund Act”.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Purpose.
Sec. 4. National terrorism reinsurance program.
Sec. 5. Fund operations.
Sec. 6. Coverage provided.
Sec. 7. Secretary to determine if loss is attributable to terrorism.
Sec. 8. Mandatory coverage by property and casualty insurers for acts of terrorism.
Sec. 9. Pass-throughs and other rate increases.
Sec. 10. Credit for reinsurance.
Sec. 11. Administrative provisions.
Sec. 12. Inapplicability of certain laws.
Sec. 13. Definition.

SEC. 2. FINDINGS.

The Congress finds the following:
(1) The terrorist attacks on the World Trade Center and Pentagon on September 11, 2001, have inflicted possibly the largest loss ever incurred by insurers and reinsurers.

(2) The magnitude of the loss, and its impact on the current capacity of the reinsurance market, threaten the ability of the property and casualty insurance market to provide coverage to building owners, businesses, and American citizens.

(3) It is necessary to create a temporary reinsurance mechanism to augment the capacity of private insurers to provide insurance for terrorism related risks.

SEC. 3. PURPOSE.

The purpose of this Act is to facilitate the coverage of property and casualty insurers of losses due to acts of terrorism by providing additional reinsurance capacity for losses or damage due to acts of terrorism occurring within the United States, its territories, and possessions.

SEC. 4. NATIONAL TERRORISM REINSURANCE PROGRAM.

(a) In General.—The Secretary of Commerce shall establish and administer a program to provide reinsurance to participating insurers for losses due to acts of terrorism.

(b) ADVISORY COMMITTEE; MEMBERSHIP.—There shall be an advisory committee to provide advice and counsel to the Secretary in carrying out the program of reinsurance established by this Act. The advisory committee shall consist of 18 members, as follows:

(1) 3 representatives of the property and casualty insurance industry, appointed by the Secretary.

(2) A representative of property and casualty insurance agencies, appointed by the Secretary.

(3) A representative of consumers of property-casualty insurance, appointed by the Secretary.

(4) A representative of a recognized national credit rating agency, appointed by the Secretary.

(5) A representative of the banking or real estate industry, appointed by the Secretary.

(6) 2 representatives of the National Association of Insurance Commissioners, designated by that organization.

(7) A representative of the Department of Housing and Urban Development, designated by the Secretary.

(b) INITIAL CAPITAL.—There shall be an initial capital of $2,000,000,000, which the Secretary of the Treasury shall deposit in a special fund at the Federal Reserve Bank.

(c) NATIONAL TERRORISM REINSURANCE FUND.—

(1) ESTABLISHMENT.—To carry out the reinsurance program, the Secretary shall establish a National Terrorism Reinsurance Fund which shall be available, without fiscal year limitations:

(A) to make such payments as may, from time to time, be required under reinsurance contracts entered into under this Act;

(B) to pay such administrative expenses as may be necessary or appropriate to carry out the purposes of this Act;

(C) from time to time, be required under reinsurance contracts for losses or damage due to acts of terrorism occurring within the United States, its territories, and possessions.

(2) CREDITS TO FUND.—(A) To pay such administrative expenses as may, from time to time, be necessary or appropriate to carry out the purposes of this Act, but such expenses may not exceed $5,000,000 for each of fiscal years 2002, 2003, and 2004; and

(b) TO REIMBURSEMENT AMOUNT.—If a participating insurer demonstrates to the satisfaction of the Secretary that it has paid claims in excess of the amount by which $50,000,000,000 exceeds the Fund’s assets, the Secretary shall, after taking into account premium assessments, adjust the terms of the reinsurance contract to the extent necessary to provide for a recovery to the extent of the amount by which $50,000,000,000 exceeds the Fund’s assets.

(c) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

(d) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

(e) REIMBURSEMENT AMOUNT.—If a participating insurer demonstrates to the satisfaction of the Secretary that it has paid claims in excess of the amount by which $50,000,000,000 exceeds the Fund’s assets, the Secretary shall, after taking into account premium assessments, adjust the terms of the reinsurance contract to the extent necessary to provide for a recovery to the extent of the amount by which $50,000,000,000 exceeds the Fund’s assets.

(f) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

SEC. 5. REINSURANCE CONTRACTS.

(a) FUNDING BY PREMIUM.—

(1) In General.—The Secretary shall provide reinsurance for losses resulting from acts of terrorism covered by reinsurance contracts entered into between the Fund and participating insurers that write covered lines of insurance within the meaning of section 1859A(a)(1) or that have elected, under section 1859A(a)(3)(C), to voluntarily include another line of insurance.

(b) RETENTION.—The Secretary shall reimburse participating insurers for losses resulting from acts of terrorism covered by reinsurance contracts entered into between the Fund and participating insurers that write covered lines of insurance within the meaning of section 1859A(a)(1) or that have elected, under section 1859A(a)(3)(C), to voluntarily include another line of insurance.

(c) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

(d) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

(e) REIMBURSEMENT AMOUNT.—If a participating insurer demonstrates to the satisfaction of the Secretary that it has paid claims in excess of the amount by which $50,000,000,000 exceeds the Fund’s assets, the Secretary shall, after taking into account premium assessments, adjust the terms of the reinsurance contract to the extent necessary to provide for a recovery to the extent of the amount by which $50,000,000,000 exceeds the Fund’s assets.

SEC. 6. COVERAGE PROVIDED.

(a) In General.—The Fund shall provide reinsurance for losses resulting from acts of terrorism covered by reinsurance contracts entered into between the Fund and participating insurers that write covered lines of insurance within the meaning of section 1859A(a)(1) or that have elected, under section 1859A(a)(3)(C), to voluntarily include another line of insurance.

(b) RETENTION.—The Fund shall reimburse participating insurers for losses resulting from acts of terrorism covered by reinsurance contracts entered into between the Fund and participating insurers that write covered lines of insurance within the meaning of section 1859A(a)(1) or that have elected, under section 1859A(a)(3)(C), to voluntarily include another line of insurance.

(c) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

(d) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

(e) REIMBURSEMENT AMOUNT.—If a participating insurer demonstrates to the satisfaction of the Secretary that it has paid claims in excess of the amount by which $50,000,000,000 exceeds the Fund’s assets, the Secretary shall, after taking into account premium assessments, adjust the terms of the reinsurance contract to the extent necessary to provide for a recovery to the extent of the amount by which $50,000,000,000 exceeds the Fund’s assets.

(f) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).

(g) CREDITS TO FUND.—Any loan under paragraph (1) shall be repaid to the Fund by the participating insurer, with interest calculated as a uniform percentage of premium, as provided in subsection (b).
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SEC. 9. PASS-THROUGHS AND OTHER RATE INCREASES.

(a) LIMITATION ON RATE INCREASES FOR COVERED RISKS.—Except as provided in subsection (b), the participating insurer that provides lines of coverage described in section 14(5)(A) or 14(5)(B) may not increase premium rates on covered risks during any period in excess of the percent used to determine the premium increase by the Secretary for the Fund.

(b) CERTIFICATION.—A participating insurer shall certify—

(1) that it is not providing terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(2) obtain a certification from the Secretary that there is no terrorism insurance coverage in excess of its capacity under State solvency requirements.

(c) FTC ANALYSIS AND ENFORCEMENT.—Not less than 30 days before the date on which a participating insurer increases the premium rate for insurance on any covered line of insurance described in section 14(5) based, in whole or in part, on risk associated with insurance against losses due to acts of terrorism, the insurer shall file with the Federal Trade Commission a report with respect to the insurance offered by that insurer against losses due to acts of terrorism. The Secretary shall not approve the increase if the report required by paragraph (1) does not—

(1) identify the portion of the increase attributable to the risk associated with insurance against losses due to acts of terrorism; and

(2) demonstrate that the insurer does not exceed the percent used to determine the premium increase by the Secretary for the Fund.

(d) GAO REVIEW.—The Comptroller General shall make an initial determination as to whether the losses or expected losses were caused by an act of terrorism. Within 30 days after the Secretary makes a final determination as to whether the losses or expected losses were caused by an act of terrorism, the Secretary shall make a final determination as to whether the losses or expected losses were caused by an act of terrorism.

(e) STANDARD OF REVIEW.—The Secretary’s determination shall be upheld upon judicial review if based upon substantial evidence.

SEC. 10. CREDIT FOR REINSURANCE.

Each State shall afford an insurer obtaining reinsurance credit for such reinsurance on the same basis and to the same extent that credit for reinsurance would be available to that insurer under applicable State law that prohibits unfair methods of competition in commerce, unfair or deceptive acts or practices in commerce, or unfair insurance practices.

(f) DISSOLUTION OF FUND.—The Secretary shall dissolve the Fund if total Fund payments exceed $50,000,000,000. When the Secretary determines that the reinsurance contract premium paid and assessments collected by insurers shall not be subject to local, State, or Federal tax. The reinsurance contract premium and assessments recovered from policyholders shall not be subject to local, State, or Federal tax.

SEC. 12. INAPPLICABILITY OF CERTAIN LAWS.

(a) IN GENERAL.—State laws relating to insurance rates, insurance policy forms, insurance rates on any covered line of insurance described in section 14(5)(A) or 14(5)(B), in whole or in part, on risk associated with insurance against losses due to acts of terrorism, do not apply to contracts entered into by the Fund under this Act. The Secretary may include in the report a recommendation for legislation to make Federal reinsurance rates applicable to contracts entered into by the Fund. The Secretary shall continue the premium assessment and collection operations of the Fund under this Act as long as loans from the Federal Reinsurance Company are outstanding.

(b) PROVISION OF REINSURANCE.—The Secretary shall suspend other operations of the Fund for new contract years at any time before that date if the Secretary determines that the reinsurance provided by the Fund is no longer needed for covered lines due to market conditions.

(c) REVIEW OF PRIVATE REINSURANCE AVAILABILITY.—The Secretary shall review the premium assessment and collection operations of the Fund under this Act as long as loans from the Federal Reinsurance Company are outstanding.

(d) DISSOLUTION OF FUND.—The Secretary shall dissolve the Fund if total Fund payments exceed $50,000,000,000.
shall dissolve the Fund. Any unencumbered Fund assets remaining after the satisfaction of all outstanding claims, loans from the Treasury, and other liabilities of the Fund shall be distributed, on a pro rata basis based on premiums paid, to any insurer that—

(A) participated in the Fund during its operation; and

(B) demonstrates, to the satisfaction of the Secretary, that any amount received as a distribution from the Fund will be permanently credited to a reserve account maintained by that insurer against claims for industrywide aggregate losses of $2,000,000,000 from—

(1) acts of terrorism in the United States; or

(ii) the effects of earthquakes, volcanic eruptions, tsunamis, or hurricanes. (2) RETENTION REQUIREMENT FOR TAPPING RESERVE.—Amounts credited to a reserve under paragraph (a) may not be used by an insurer to pay claims until the insurer has paid claims for losses resulting from acts or events described in paragraph (1)(B) in excess of 10 percent of that insurer’s average gross direct written premiums and policyholders’ surplus for covered lines for the most recently concluded calendar year for which data are available.

(3) OFFICER AND DIRECTOR PENALTIES FOR MISUSE OF RESERVES.—Any officer or director of an insurer who knowingly authorizes or directs the use of any amount received from the Fund under paragraph (1) for any purpose other than an appropriate use of amounts in the reserve to which the amount is credited shall be guilty of a Class E felony and sentenced in accordance with the provisions of section 5501 of title 18, United States Code.

(4) RETENTION REQUIREMENT FOR TAPPING RESERVE.—Any unencumbered Fund assets remaining after the distribution under paragraph (1) shall be covered into the Treasury of the United States as miscellaneous receipts.

SEC. 14. DEFINITIONS.

In this Act:

(1) SECRETARY.—Except where otherwise specifically provided, the term “Secretary” means the Secretary of Commerce.

(2) NAIC.—The term “NAIC” means the National Association of Insurance Commissioners.

(3) FUND.—The term “Fund” means the National Terrorism Reinsurance Fund established under section 4.

(4) PARTICIPATING INSURER.—The term “participating insurer” means every property and casualty insurer writing on a direct basis a covered line or lines of insurance in any jurisdiction of the United States or its territories, or possessions, including residual market insurers.

(5) COVERED LINE.—

(A) IN GENERAL.—The term “covered line” means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(i) Fire.

(ii) Allied lines.

(iii) Commercial multiple peril.

(iv) Ocean marine.

(v) Inland marine.

(vi) Workers’ compensation.

(vii) Products liability.

(viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.

(ix) Aircraft (all peril).

(x) Fidelity and surety.

(xi) Burglary and theft.

(xii) Foreign and marine.

(xiii) Any other line of insurance that is reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by an participating insurer to be included in its reinsurance coverage costs.

(B) OTHER LINES.—For purposes of clause (xiii), the lines of business that may be voluntarily selected are the following:

(i) Farmers multiple peril.

(ii) Homeowners multiple peril.

(iii) Mortgage guaranty.

(iv) Financial guaranty.

(v) Private passenger automobile insurance.

(C) ELECTION.—The election to voluntarily include another line of insurance, if made, must apply to all insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(3) COVERED LOSSES.—The term “covered losses” means direct insured losses from an act of terrorism for covered lines, plus defense and cost containment expenses. Notwithstanding the preceding sentence, a loss shall not be recognized as a loss for the purpose of determining the amount of an insurer’s retention or reimbursement under this Act unless the claim is filed in the Fund within 12 months after the terrorist event occurs and other loss adjustments.

(4) COVERED LOSSES.—The term “covered losses” means direct losses in excess of the participating insurer’s retention.

(5) TERRORISM; ACT OF TERRORISM.—

(A) IN GENERAL.—The term “terrorism” and “act of terrorism” mean any act, certified by the Secretary in concurrence with the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, committed or intended to cause death or serious bodily injury to any person or damage to property, or an act dangerous to the national security of the United States, or to endangering or intimidating the civilian population of the United States or to influence the policy of the United States government.

(B) ACTS OF WAR.—No act shall be certified as an act of terrorism if the act is committed in the course of a war declared by the Congress of the United States or by a foreign government.

(C) FUNDING OF CERTIFICATION.—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

(6) INSURER.—

(A) IN GENERAL.—The term “insurer” means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty coverage in at least one jurisdiction of the United States, its territories, or possessions.

(B) VOLUNTARY PARTICIPATION.—A State workers’ compensation, auto, or property insurance fund may voluntarily participate as an insurer.

(7) CONTRACT YEAR.—The term “contract year” means the period of time that obligations exist between a participating insurer and the Fund for a given annual reinsurance contract.

(8) RETENTION.—The term “retention” means the level of losses retained by a participating insurer for which the insurer is not entitled to reimbursement by the Fund.

By Mr. MCCAIN:

S. 1744. A bill to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; to the Committee on Commerce, Science, and Transportation.

Mr. MCCAIN. Mr. President, while there are few people in the Senate more skeptical than I of providing Federal assistance to corporations or involuntary Federal government assistance to a private industry, the proposed wholesale cancellation of terrorism insurance coverage following the devastating events of September 11, dictates that Congress act before the end of this session to ensure that this controversy continues to be available and affordable. Since 1945 when Congress delegated the responsibility of regulating insurance to the States, the Federal Government has honored this delegation and, with the encouragement of state regulators, kept out of the business of insurance.

In a recent letter to Treasury Secretary O’Neill, however, the National Association of Insurance Commissioners, NAIC, implied the Federal Government for the first time that insurers are now issuing notices of non-renewal and filing across-the-board property and casualty exclusions for terrorism risk with state insurance regulators; the NAIC wrote, ‘‘[W]e need the Federal Government to give certainty to this situation * * * further delay inadvertently could cause greater market disruption, thus making the need for quick action imperative.’’ I agree.

The bill I am introducing today draws from the many good ideas proposed by members of Congress and by the Administration to deal with the imminent cancellation of terrorism insurance coverage, and attempts also to address concerns raised with each of these proposals. It is by no means a perfect bill and I look forward to working with the Administration, my colleagues, state insurance commissioners, and other interested parties to improve it. While this bill does not reflect, however, what I believe to be the core principles that should be included in any legislation designed to keep terrorism insurance affordable and available. These principles include making Federal intervention short-term; deferring to states on questions of rate regulation; requiring insurance companies and the insurance industry to bear enough risk to promote responsible claims handling and to ensure that the initiatives to keep terrorism insurance available remain in place.

There has been much debate about whether the taxpayers should bear the cost in the short-term of another terrorist event, or whether this cost should be borne by policyholders. The answer, perhaps, is that the cost should be shared. I propose in this bill that federal assistance up to $50 billion be paid back by commercial property and
casualty policy holders through a capped surcharge on their premiums. For Federal assistance between $50 billion and $100 billion, which would be required only in the case of a truly catastrophic, perhaps cataclysmic event, however, the bill does not require repayment.

The following is a summary of the major provision of this bill. I look forward to working to improve it and to passage of needed legislation on terrorism insurance before the end of this session.

The bill provides a Federal backstop for certain insured losses due to acts of terrorism up to $100 billion per year in 2002 and 2003. The Federal Government would get involved, however, only if there is an act of terrorism during these years that exceeded individual company retentions. If a commercial insurer reaches these retention levels, the federal government would provide assistance for 80 percent of the companies' retention the following year.

To provide uniformity, the bill preempts state definitions of “terrorism” and delegates to the Secretary of Commerce the responsibility of determining whether or not an act of terrorism has occurred.

Federal assistance is available only to companies whose annual terrorism-related losses in certain lines of commercial property and casualty insurance exceed the greater of $10 million or 5 percent of gross direct written premiums in that line of business for the previous year.

Only companies that meet the company retention trigger can obtain assistance from the Federal Government. Outlays for losses up to $50 billion are repaid by insurance policy holders through a surcharge imposed by the Secretary of Commerce on covered lines and collected by commercial insurers. These surcharges cannot exceed 6 percent of annual premiums, and the Secretary has the discretion to adjust the surcharge to reflect different risks in urban and rural areas.

Federal outlays up to $50 billion are paid back over time by commercial property and casualty policy holders. Federal outlays for losses over $50 billion are not recoverable. Rate regulation is left to the states. Exempt with respect to claims against terrorists and their conspirators, punitive damages cannot be recovered in claims arising out of acts of terrorism.

By Mr. REID (for himself, Mrs. CLINTON, Mr. LIEBERMAN and Mr. JEFFORDS):


Mr. REID. Mr. President, I would like to discuss an issue of great importance to the safety of our Nation’s nuclear power plants.

The tragedy of September 11 taught us many things: It taught us the importance of our first responders. It taught us the vulnerability of our Nation’s buildings and the strength of our Nation’s resolve. Finally, it taught us that we must be prepared for today’s threats because they could become tomorrow’s.

We must not fail to take what we have learned and apply it to the vulnerabilities of our Nation’s energy and transportation infrastructure. Less than 1 week ago, the President signed a new law to increase the safety at our Nation’s airports. That act turned the first page in a long struggle to secure our Nation’s infrastructure.

Today, I am introducing legislation with Senator CLINTON, Senator LIEBERMAN, and Senator JEFFORDS to write the next chapter, which covers commercial nuclear facilities.

I am pleased that Congressman MARK-VINSON, Secretary of Commerce, and delegates to the Secretary of Commerce the responsibility of determining whether or not an act of terrorism has occurred.

Federal assistance is available only to companies whose annual terrorism-related losses in certain lines of commercial property and casualty insurance exceed the greater of $10 million or 5 percent of gross direct written premiums in that line of business for the previous year.

Only companies that meet the company retention trigger can obtain assistance from the Federal Government. Outlays for losses up to $50 billion are repaid by insurance policy holders through a surcharge imposed by the Secretary of Commerce on covered lines and collected by commercial insurers. These surcharges cannot exceed 6 percent of annual premiums, and the Secretary has the discretion to adjust the surcharge to reflect different risks in urban and rural areas.

Federal outlays up to $50 billion are paid back over time by commercial property and casualty policy holders. Federal outlays for losses over $50 billion are not recoverable. Rate regulation is left to the states. Exempt with respect to claims against terrorists and their conspirators, punitive damages cannot be recovered in claims arising out of acts of terrorism.

The Commission, in consultation with the Assistant to the President for Homeland Security, the Attorney General, the Secretary of Defense, and other Federal, State, and local agencies, as appropriate, shall revise the design basis threat to include—

SEC. 3. NUCLEAR SECURITY.

(a) In General.—Chapter 14 of the Atomic Energy Act of 1954 (42 U.S.C. 2201 et seq.) is amended by adding at the end the following:

"SEC. 170C. PROTECTION OF SENSITIVE NUCLEAR FACILITIES AGAINST THE DESIGN BASIS THREAT.

"(a) Definitions.—In this section:

"(1) Nuclear Security Force.—The term ‘nuclear security force’ means the nuclear security force established under subsection (b)(1).

"(2) Fund.—The term ‘Fund’ means the Nuclear Security Fund established under subsection (f).

"(3) Qualification Standard.—The term ‘qualification standard’ means a qualification standard established under subsection (e)(2)(A).

"(4) Security Plan.—The term ‘security plan’ means a security plan developed under subsection (b)(2).

"(b) Nuclear Security.—The Commission shall:

"(1) establish a nuclear security force, the members of which shall be employees of the Commission, to provide for the security of all sensitive nuclear facilities against the design basis threat; and

"(2) develop and implement a security plan for each sensitive nuclear facility to ensure the security of all sensitive nuclear facilities against the design basis threat.

"(c) Design Basis Threat.—

"(1) In General.—Not later than 90 days after the date of enactment of this section, and at least once every 3 years thereafter, the Commission, in consultation with the Assistant to the President for Homeland Security, the Attorney General, the Secretary of Defense, and other Federal, State, and local agencies, as appropriate, shall revise the design basis threat to include—
“(A) threats equivalent to—
(1) the events of September 11, 2001;
(2) a physical, cyber, biochemical, or other terrorist threat;
(3) the sabotage of a facility by multiple coordinated teams of a large number of individuals;
(4) assistance in an attack from several persons employed at the facility;
(5) a suicide attack;
(6) a water-based or air-based threat;
(7) the use of explosive devices of considerable size and other modern weaponry;
(8) an attack by persons with a sophisticated knowledge of the operations of a sensitive nuclear facility; and
(9) fire, especially a fire of long duration; and
(B) any other threat that the Commission determines should be included as an element of the design basis threat.

(2) REPORTS.—The Commission shall submit to Congress a report on each revision made under paragraph (1).

(d) SECURITY PLANS.—
(1) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Commission shall develop a security plan for each sensitive nuclear facility to ensure the protection of each sensitive nuclear facility against the design basis threat.

(2) ELEMENTS OF THE PLAN.—A security plan shall prescribe—
(A) the deployment of the nuclear security force, including—
(i) numbers of the members of the nuclear security force at each sensitive nuclear facility;
(ii) tactics of the members of the nuclear security force at each sensitive nuclear facility;
(iii) capabilities of the members of the nuclear security force at each sensitive nuclear facility; and
(B) other protective measures, including—
(i) designs of critical control systems at each sensitive nuclear facility;
(ii) restricted personnel access to each sensitive nuclear facility;
(iii) perimeter site security, internal site security, and fire protection barriers;
(iv) increases in protection for spent fuel storage areas;
(v) placement of spent fuel in dry cask storage; and
(vi) background security checks for employees of employers; and
(C) a schedule for completing the requirements of the security plan not later than 18 months after the date of enactment of this section.

(3) ADDITIONAL REQUIREMENTS.—A holder of a license for a sensitive nuclear facility under section 103 or 104 or the State or local government in which a sensitive nuclear facility is located may petition the Commission for additional requirements in the security plan for the sensitive nuclear facility.

(4) IN GENERAL.—Not later than 270 days after the date of enactment of this section, the Commission, in consultation with other Federal agencies, as appropriate, shall establish a program for the hiring and training of the nuclear security force.

(5) USE OF OTHER AGENCIES.—The Commission shall establish procedures, in addition to any other Federal agency with appropriate jurisdiction, to assist in the training of members of the nuclear security force.

(6) ANNUAL PROFICIENCY REVIEW.—
(A) IN GENERAL.—The Commission shall conduct an annual evaluation of each member of the nuclear security force and determine the qualifications of such members.

(B) REQUIREMENTS FOR CONTINUATION.—An individual employed as a member of the nuclear security force may not continue to be employed in that position unless the evaluation under subparagraph (A) demonstrates that the individual—
(1) continues to meet all qualification standards;
(2) has a satisfactory record of performance and attention to duty; and
(3) has had the skills necessary to vigilantly and effectively provide for the security of a sensitive nuclear facility against the design basis threat.

(C) TRAINING.—The Commission shall provide for the training of each member of the nuclear security force to ensure that each member has the knowledge and skills necessary to provide for the security of a sensitive nuclear facility against the design basis threat.

(D) USE OF OTHER AGENCIES.—The Commission may enter into a memorandum of understanding or other arrangement with any other Federal agency with appropriate law enforcement responsibilities, to provide personnel, resources, or other forms of assistance in the training of members of the nuclear security force.

(7) NUCLEAR SECURITY FUND.—
(A) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the Nuclear Security Fund, which shall be used by the Commission to administer programs under this section to provide for the security of sensitive nuclear facilities.

(B) DEPOSITS IN THE FUND.—The Commission shall deposit in the Fund—
(1) the amount of fees collected under paragraph (5); and
(2) amounts appropriated under subsection (g).

(C) INVESTMENT OF AMOUNTS.—For the purpose of investments under subparagraph (A), obligations may be—
(1) on original issue at the issue price; or
(2) purchase of outstanding obligations at the market price.

(D) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(E) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations hold in the Fund shall be credited to and form a part of the Fund.

(F) USE OF AMOUNTS IN THE FUND.—The Commission shall use amounts in the Fund to pay the costs of—
(1) salaries, training, and other expenses of the nuclear security force; and
(2) developing and implementing security plans.

(G) FEES.—To ensure that adequate amounts are available to provide assistance under paragraph (4), the Commission shall assess licenses a fee in an amount determined by the Commission, not to exceed 1 mill per kilowatt-hour of electricity generated by a sensitive nuclear facility.

(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

(b) IMPLEMENTATION.—The Commission shall complete the full implementation of the amendment made by subsection (a) as soon as practicable after the date of enactment of this Act, but in no event later than 270 days after the date of enactment of this Act.

(c) TECHNICAL AND CONFORMING AMENDMENTS.—The table of contents for chapter 14 of the Atomic Energy Act of 1946 (42 U.S.C. prel. 2011) is amended by adding at the end the following:

Sec. 170b. Uranium supply.
Sec. 170c. Protection of sensitive nuclear facilities against the design basis threat.

SEC. 4. OPERATION SAFEGUARDS AND RESPONSE UNIT.
Section 204 of the Energy Reorganization Act of 1974 (42 U.S.C. 8444) is amended by adding at the end the following:

(d) OPERATION SAFEGUARDS AND RESPONSE UNIT.—

(1) DEFINITIONS.—In this subsection:

(A) ASSISTANT DIRECTOR.—The term ‘‘Assistant Director’’ means the Assistant Director for Operation Safeguards and Response.

(B) DESIGN BASIS THREAT.—The term ‘‘design basis threat’’ means the term given in section 11 of the Atomic Energy Act of 1946 (42 U.S.C. 2014).

(C) SENSITIVE NUCLEAR FACILITY.—The term ‘‘sensitive nuclear facility’’ has the meaning given the term in section 11 of the Atomic Energy Act of 1946 (42 U.S.C. 2014).

(D) UNIT.—The term ‘‘unit’’ means the Operation Safeguards and Response Unit established under paragraph (2)(A).

(2) ESTABLISHMENT OF UNIT.—
"(A) IN GENERAL.—There is established within the Office of Nuclear Material Safety and Safeguards the Operation Safeguards and Response Unit.

(3) REQUIREMENT OF AN OPT OUT.—The Unit shall be headed by the Assistant Director for Operation Safeguards and Response.

(B) DUTIES.—The Assistant Director shall—

(1) establish a program for the conduct of operation safeguards and response evaluations under paragraph (3); and

(2) establish a program for the conduct of emergency response exercises under paragraph (4).

(D) MOCK TERRORIST TEAM.—The personnel of the Unit shall include a Mock Terrorist Team comprised of—

(i) no fewer than 20 individuals with advanced knowledge of special weapons and tactics comparable to special operations forces of the Armed Forces;

(ii) at least 1 nuclear engineer;

(iii) for each evaluation at a sensitive nuclear facility under paragraph (3), at least 1 individual with knowledge of the operations of the sensitive nuclear facility who is capable of actively disrupting the normal operations of the sensitive nuclear facility; and

(iv) an individual that the Assistant Director determines should be a member of the Mock Terrorist Team.

(E) EMERGENCY SAFEGUARDS AND RESPONSE EVALUATIONS.—

(A) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Assistant Director shall establish an operation safeguards and response evaluation program to assess the ability of each sensitive nuclear facility to defend against the design basis threat.

(B) FREQUENCY OF EVALUATIONS.—Not less often than once every 6 months until the sensitive nuclear facility to assess the ability of the members of the nuclear security force at the sensitive nuclear facility to defend against the design basis threat.

(C) ACTIVITIES.—The evaluation shall include—

(1) the response capabilities, response times, and coordination and communication capabilities of the response personnel;

(2) the effectiveness and adequacy of emergency response plans, including evacuation plans; and

(3) the ability of response personnel to distribute potassium iodide or other prophylactic medicines in an expeditious manner.

(D) REVISION OF EMERGENCY RESPONSE PLANS.—The Commission shall revise the emergency response plan for a sensitive nuclear facility to correct for any deficiencies identified by an evaluation under this paragraph.

(E) REPORTS.—Not less often than once every year, the Commission shall submit to Congress and the President a report that describes—

(i) the results of each emergency response exercise under this paragraph conducted in the previous year; and

(ii) each revision of an emergency response plan made under subparagraph (D) for the previous year.

SEC. 5. POTASSIUM IODIDE STOCKPLIES.

Section 170 of the Atomic Energy Act of 1954 (42 U.S.C. 2110) is amended by adding at the end the following:

"u. Not later than 180 days after the date of enactment of this section, the Commission, in consultation with the Director of the Federal Emergency Management Agency, the Secretary of Health and Human Services, and other Federal, State, and local agencies, as appropriate, shall—

(1) ensure that sufficient stockpiles of potassium iodide tablets have been established at public facilities (such as schools and hospitals) within at least a 50-mile radius of all sensitive nuclear facilities;

(2) develop plans for the prompt distribution of the stockpiles described in paragraph (1) to all individuals located within at least a 50-mile radius of a sensitive nuclear facility in the event of a release of radiouclides; and

(3) submit to Congress a report—

(A) certifying that stockpiles have been established as described in paragraph (1); and

(B) including the plans described in paragraph (2)."

SEC. 6. DEFENSE OF FACILITIES.

(a) IN GENERAL.—In a case in which a state of war or national emergency exists, the Commission shall—

(1) request the Governor of each State in which a sensitive nuclear facility is located to deploy the National Guard to each sensitive nuclear facility in that State; and

(2) request the President to—

(A) deploy the Coast Guard to sensitive nuclear facilities on the coastline of the United States; and

(B) restrict air space in the vicinity of sensitive nuclear facilities in the United States.

(b) AUTHORIZATION OF APPROPRIATIONS.—

There are appropriated such sums as are necessary to carry out this section.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2170. Mr. DASCHLE (for Mr. HATCH (for himself and Mr. BAUCUS)) proposed an amendment to the bill H.R. 10, to provide for pension reform, and for other purposes.

SA 2171. Mr. LOTT (for himself, Mr. MURkowski, and Mr. BROWNBACK) proposed an amendment to the bill H.R. 10, to provide for pension reform, and for other purposes; which was ordered to lie on the table.

SA 2174. Mr. BURNS submitted an amendment intended to be proposed by him to the bill H.R. 10, to provide for pension reform, and for other purposes; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2170. Mr. DASCHLE (for Mr. HATCH (for himself and Mr. BAUCUS)) proposed an amendment to the bill H.R. 10, to provide for pension reform, and for other purposes; which was ordered to lie on the table.

TITLES OF AMENDMENTS

TITLE I—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SECTION 101. EXPANSION OF WIDOW’S AND WIDOWER’S BENEFITS.

(a) IN GENERAL.—Section 1021(c)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)) is amended by adding at the end the following new subdivision:

"(10)(i) If for any month the unreduced annuity provided under this section for a widow or widower is less than the widow’s or widower’s initial minimum amount computed pursuant to paragraph (ii) of this subdivision, the unreduced annuity shall be increased to that initial minimum amount. For purposes of this subdivision, the unreduced annuity is the annuity without regard to any deduction on account of work,
without regard to any reduction for entitlement to an annuity under section 2(a)(1) of this Act, without regard to any reduction for entitlement to a benefit under title II of the Social Security Act, and without regard to any reduction for entitlement to a public service pension pursuant to section 202(e)(7), 202(f)(2), or 202(g)(4) of the Social Security Act.

(ii) For the purposes of this subdivision, the widow or widower’s initial minimum amount is the amount of the unreduced annuity computed at the time an annuity is awarded to that widow or widower, except that—

(A) in subsection (g)(1)(i) ‘‘100 per centum’’ shall be substituted for ‘‘80 per centum’’;

(B) in subsection (g)(2)(i) ‘‘130 per centum’’ shall be substituted for ‘‘80 per centum’’ both places it appears.

(iii) If a widow or widower who was previously entitled to a widow’s or widower’s annuity under section 2(d)(1)(i) of this Act becomes entitled to a widow’s or widower’s annuity under section 2(d)(1)(i) of this Act, a new initial minimum amount shall be computed at the time of award of the widow’s or widower’s annuity under section 2(d)(1)(i) of this Act.

(b) EFFECTIVE DATE.—(1) In general.—The amendment made by this section shall take effect on the first day of the month beginning on the 90th day after enactment, and shall apply to amounts accruing for months after the effective date in the case of annuities awarded—

(A) on or after that date; and

(B) before that date, but only if the annuity amount under section 4(g) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)) was computed under such section, as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35, Sec. 357).

(2) ANNUIETY AWARDED BEFORE THE EFFECTIVE DATE.—In applying the amendment made by this section to annuities awarded before the effective date, the calculation of the initial minimum amount under new section 4(g)(10)(i)(II) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)(10)(i)(II)), as added by subsection (a), shall be based on the date of the award of the widow’s or widower’s annuity.

SEC. 102. RETIREMENT AGE RESTORATION.

(a) EMPLOYEE ANNUITIES.—Section 3(a)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(2)) is amended by inserting after “(2)” the following new sentence: “For purposes of this subdivision, individuals entitled to an annuity under section 2(a)(1)(ii)(I) of this Act shall, except for the purposes of recomputations in accordance with section 213(f) of the Social Security Act, be deemed to have attained retirement age as defined by section 216(l) of the Social Security Act.”.

(b) SPOUSE AND SURVIVOR ANNUITIES.—Section 4(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)(2)) is amended by striking “and” and all that follows through “section 2(c)(1)” of this Act and inserting “a spouse entitled to an annuity under section 2(c)(1)(1)(B) of this Act”.

(c) CONFORMING REPEALS.—Sections 3(a)(3), 4(a)(3), and 4(a)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(3), 231c(a)(3), and 231c(a)(4)) are repealed.

(d) EFFECTIVE DATES.—

(1) GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to annuities that begin to accrue on or after January 1, 2002.

(2) EXCEPTION.—The amount of the annuity provided under section 2(c)(1)(ii)(A) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)(3)) shall be computed under section 2(c)(1)(ii)(A) of such Act, as in effect on December 31, 2001, if the annuity amount provided under section 3(a) of such Act (45 U.S.C. 231a(a)) for the individual on whose employment record the annuity is based was computed under section 3(a)(3) of such Act, as in effect on December 31, 2001.

SEC. 103. VESTING REQUIREMENT.

(a) certain annuities for individuals.—Section 2(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)) is amended—

(1) by inserting in subdivision (1) “(or, for purposes of paragraphs (i), (iii), and (v), five years of service) the date on which such service began” after “December 31, 1995” after “ten years of service”; and

(b) by adding at the end the following new subdivision:

“(4) An individual who is entitled to an annuity under paragraph (v) of subdivision (1), but who does not have at least ten years of service, shall, prior to the month in which the individual attains age 62, be entitled only to an annuity amount computed under section 3(a) of this Act (without regard to section 3(a)(2) of this Act) or section 3(a)(3) of this Act. Upon attainment of age 62, such an individual may also be entitled to an annuity amount computed under section 3(b), but such an annuity is for early retirement in the same manner as if the individual were entitled to an annuity under section 2(c)(2).

(b) COMPUTATION RULE FOR INDIVIDUALS’ ANNUITIES.—Section 3(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)), as amended by section 102 of this Act, is further amended by adding at the end the following new subdivision:

“(3) If a spouse or widow or widower of an individual entitled to a benefit under section 202(a)(1)(A), section 2(c)(1)(i)(C), or section 2(c)(2) of this Act or a divorced spouse entitled to an annuity under section 2(c)(4) of the Social Security Act which began to accrue before the time under section 2(c)(1)(i)(A), section 2(c)(1)(i)(C), section 2(c)(2), or section 2(c)(4) of the Social Security Act, the annuity amount provided under this subsection shall be computed as though the annuity under this Act began to accrue on the later of the first date on which the annuitant met the conditions for entitlement to an age reduced annuity under this Act other than the conditions set forth in sections 2(e)(1) and 2(e)(2) of this Act and the requirement that an application be filed.

(c) application derming provision.—Section 5(b) of the Railroad Retirement Act of 1974 (45 U.S.C. 231r(b)) is amended by striking the second sentence and inserting the following new sentence: “An application filed with the Board for an employee annuity, or survivor annuity on the basis of the employment record of an employee who will have completed less than ten years of service shall be deemed to be an application for any benefit to which such applicant may be entitled under this Act or section 202(a), section 202(b), or section 202(c) of the Social Security Act. An application filed with the Board for an annuity on the basis of the employment record of an employee who will have completed ten years of service shall, unless the applicant specified otherwise, be deemed to be an application for any benefit to which such applicant may be entitled under this Act or title II of the Social Security Act.”.

(d) creating service under the social security act.—Section 18(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231q(2)) is amended—

(1) by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten years of service” every place it appears; and

(2) by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten or more years of service”.

(e) automatic benefit eligibility adjustments.—Section 19 of the Railroad Retirement Act of 1974 (45 U.S.C. 231r) is amended—

(1) by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten years of service” in subsection (b)(1); and

(2) by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten or more years of service” in subsection (b)(2).

(f) automatic benefit eligibility adjustments.—Section 19 of the Railroad Retirement Act of 1974 (45 U.S.C. 231r) is amended—

(1) by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten years of service” in subsection (b)(1); and

(2) by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten or more years of service” in subsection (b)(2).

(g) conforming amendments.—Section 6(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231e(a)) is amended by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten years of service”. Section 7(b)(5)(A)(ii) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(5)(A)) is amended by inserting “or five or more years of service, all of which accrues after December 31, 1995” after “ten years of service”.

(h) conforming amendments.—

(1) Section 205(i) of the Social Security Act (42 U.S.C. 405(i)) is amended by inserting “or

(2) Section 205(i) of the Social Security Act (42 U.S.C. 405(i)) is amended by inserting “or

(3) Section 205(i) of the Social Security Act (42 U.S.C. 405(i)) is amended by inserting “or

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five or more years of service, all of which ac-
crues after December 31, 1965)" after “ten years of service.”

(4) Section 6(b)(2) of the Railroad Retire-
ment Act of 1974 (45 U.S.C. 231b(b)(2)) is amended by inserting “(or five or more years of service, all of which accrues after December 31, 1965)” after “ten years of service” the second time it appears.

(i) Effective Date. The amendments made by this section shall take effect on January 1, 2002.

SEC. 104. REPEAL OF RAILROAD RETIREMENT MAXIMUM.

(a) Employer Annuitants.—(1) In general. — Section 3(f) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(f)) is amended by striking "(1)(B) a member of the Board of Trustees shall be selected by a majority of the other 6 members of the Board of Trustees. A member of the Board of Trustees may be removed only by the same constituency that selected that member.

(2) Dispute Resolution. — In the event that the Board of Trustees cannot agree on the selection of Trustees within 60 days of the date of enactment or 60 days from any subsequent date that a position of the Board of Trustees becomes vacant, an impartial umpire to decide such dispute shall, on the petition of a party to the dispute, be appointed by the District Court of the United States for the District of Columbia.

(b) Qualifications. — Members of the Board of Trustees shall be appointed only from among persons who have experience and expertise in the management of financial investments and pension plans. No member of the Railroad Retirement Board shall be eligible to be a member of the Board of Trustees.

(c) Terms. — Except as provided in this subsection, each Trustee shall be appointed for a 3-year term. The initial members appointed under this paragraph shall be divided into equal groups so nearly as may be, of which one group will be appointed for a 1-year term, one for a 2-year term, and one for a 3-year term. The Trustee initially selected pursuant to clause (i)(III) shall be appointed to the case in which the Trustee in the case of a breach of a fiduciary obligation by such trustee;

(ii) a trustee from purchasing insurance for its trustees or for itself to cover liability or losses occurring by reason of the act or omission of a trustee, if such insurance permits recourse by the insurer against the trustee in the case of a breach of a fiduciary obligation by such trustee;

(iii) an employer or an employee organization from purchasing insurance to cover potential liability of one or more trustees with respect to their fiduciary responsibilities, obligations, and duties under this section.

(ii) Bonding. — Every trustee and every person who handles or is responsible for the assets of the Trust shall be bonded.

(iii) Executive. — In accordance with this subsection, the Board of Trustees shall regulate the use of the funds and other property of the Trust and shall be responsible for its trustees or for itself to cover liability or losses occurring by reason of the act or omission of a trustee, if such insurance permits recourse by the insurer against the trustee in the case of a breach of a fiduciary obligation by such trustee;

(iv) an employer or an employee organization from purchasing insurance to cover potential liability of one or more trustees with respect to their fiduciary responsibilities, obligations, and duties under this section.

(iv) The amount of such bond shall be fixed at the beginning of each fiscal year of the Trust by the Railroad Retirement Board, and shall not be less than $25,000, nor more than $500,000, except that the Railroad Retirement Board may, in its discretion, fix the amount of the bond at any time.

(b) Spouse and Survivor Annuitants.—Section 4 of the Railroad Retirement Act of 1974 (45 U.S.C. 231c) is amended by striking subsection (c).
through any agent or broker in whose business operations such person has any control or significant financial interest, direct or indirect.

(2) AUDIT AND REPORT.—

(i) The Trust shall annually engage an independent qualified public accountant to audit the financial statements of the Trust.

(ii) The Trust shall submit a management report to the Congress not later than 180 days after the end of the Trust’s fiscal year. A management report under this subsection shall include—

(1) a statement of financial position;

(2) a statement of operations;

(3) a statement of cash flows;

(4) a statement on internal accounting and administrative control systems;

(5) the report resulting from an audit of the financial statements in such report of the Trust conducted under clause (1); and

(6) any other comments and information necessary to inform the Congress about the operations and financial condition of the Trust.

(iii) The Trust shall provide the President, the Railroad Retirement Board, and the Director of the Office of Management and Budget a copy of the management report when it is submitted to Congress.

(F) ENFORCEMENT.—The Railroad Retirement Supplemental Account, the Railroad Retirement Investment Trust, and the Railroad Retirement Investment Trust Account shall be considered civil actions.

(i) to enjoin any act or practice by the Trust, its Board of Trustees, or its employees or agents that violates any provision of this Act;

(ii) to obtain other appropriate relief to redress such violations, or to enforce any provisions of this Act.

(G) REPLEVY, REPOSSESSION, AND ADMINISTRATIVE POWERS.—The Board of Trustees shall have the authority to make rules to govern its operations, employ professional staff, and contract with outside firms. The Board of Trustees may maintain a civil action against the Railroad Retirement Board, to provide legal, accounting, investment advisory, or other services necessary for the proper administration of this subsection.

In the case of contracts with investment advisory services, compensation for such services may be on a fixed contract fee basis or on such other terms and conditions as are customary for such services.

(7) QUORUM.—Five members of the Board of Trustees constitute a quorum to do business. The Board shall be organized as a corporation by a unanimous vote of the entire Board of Trustees. All other decisions of the Board of Trustees shall be decided by a majority vote of the members of the Board. The Board of Trustees shall be entered upon the records of the Board of Trustees.

(8) FUNDING.—The expenses of the Trust and the Board of Trustees incurred under this subsection shall be paid from the Trust.

(b) CONFORMING AND TECHNICAL AMENDMENTS.—Sections 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(e)) is amended—

(i) in the first sentence, by striking ‘‘the Dual Benefits Payments Account’’ and all that follows through ‘‘may be made only in’’ in the second sentence and inserting ‘‘and the Dual Benefits Payments Account as are not transferred to the National Railroad Retirement Investment Trust as the Board may determine’’;

(ii) by striking ‘‘the Second Liberty Bond Act, as amended’’ and inserting ‘‘chapter 31 of title 31’’; and

(iii) by striking ‘‘the foregoing requirements’’ and inserting ‘‘the requirements of this subsection’’.

(c) MEANS OF FINANCING.—For all purposes of the Congressional Budget Act of 1974, the Railroad Retirement Emergency Deficit Control Act of 1985, and chapter 11 of title 31, United States Code, and notwithstanding section 20 of the Office of Management and Budget Circular No. A-11, the purchase or sale of non-Federal assets (other than gains or losses from such transactions) by the National Railroad Retirement Investment Trust shall be treated as a means of financing.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the month that begins more than 30 days after enactment.

SEC. 106. ELIMINATION OF SUPPLEMENTAL ACCOUNTS.

(a) SOURCE OF PAYMENTS.—Section 7(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231m(c)(1)) is amended by striking ‘‘payment of annuities under section 2(b) of this Act shall be made from the Railroad Retirement Supplemental Account’’.

(b) ELIMINATION OF ACCOUNT.—Section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)) is repealed.

(c) AMENDMENT TO RAILROAD RETIREMENT ACCOUNT.—Section 15(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(n)) is amended by striking ‘‘except those portions of the amounts covered into the Treasury under subsection (d) that follows through the end of the subsection and inserting a period.’’

(d) TRANSFER.—

(1) DETERMINATION.—As soon as possible after December 31, 2001, the Railroad Retirement Board shall—

(A) determine the amount of funds in the Railroad Retirement Supplemental Account under section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231m(c)) as of the date of such determination; and

(B) direct the Secretary of the Treasury to transfer such funds to the National Railroad Retirement Investment Trust under section 15(j) of such Act (as added by section 186).

(2) TRANSFER BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall make the transfer described in paragraph (1).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsections (a), (b), and (c) shall take effect January 1, 2002.

(2) ACCOUNT IN EXISTENCE UNTIL TRANSFER MADE.—The Railroad Retirement Supplemental Account under section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231m(c)) shall continue to exist until the date that the Secretary of the Treasury makes the transfer described in subsection (d)(2).

SEC. 107. TRANSFER AUTHORITY REVISIONS.

(a) RAILROAD RETIREMENT ACCOUNT.—Section 15 of the Railroad Retirement Act of 1974 (45 U.S.C. 231n) is amended by adding after subsection (j) the following new subsection:

(1) TRANSFERS TO THE TRUST.—The Board shall, upon establishment of the National Railroad Retirement Investment Trust and the Secretary of the Treasury shall, enter into a contract with a nongovernmental financial institution to serve as disbursing agent for benefits payable under this Act who shall disburse consolidated benefits under this Act to each recipient. Pending the taking effect of that arrangement, benefits shall be paid as under the law in effect prior to the enactment of the National Railroad and Survivors’ Improvement Act of 2001.

(2) TRANSFERS TO DISBURSING AGENT.—Section 15(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(1)) is amended by striking the second and third sentences.

(3) CONFORMING AMENDMENT.—Section 15(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(1)) is amended by striking the second and third sentences.

(b) DUAL BENEFITS PAYMENTS ACCOUNT.—Section 15(d)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(d)(1)) is amended by striking the second sentence and inserting ‘‘The Secretary of the Treasury shall from time to time transfer to the Dual Benefits Payments Account to the disbursing agent to make payments of amounts necessary to pay benefits payable from that Account.’’

(c) CERTIFICATION BY THE BOARD AND PAYMENT.—Paragraph (4) of section 7(b) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(b)(4)) is amended to read as follows:

As soon as possible after December 31, 2001, the Board shall certify that the amounts required to be transferred from the Social Security Equivalent Benefit Account and the Dual Benefits Payments Account to the Trust shall be consolidated benefits, or may be necessary to pay benefits under this Act (other than benefits paid from the Social Security Equivalent Benefit Account or the Dual Benefits Payments Account).

(d) NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—The National Railroad Retirement Investment Trust shall have power to make payments of amounts necessary to pay benefits payable from the Social Security Equivalent Benefit Account and the Dual Benefits Payments Account, or may be necessary to pay benefits under this Act (other than benefits paid from the Social Security Equivalent Benefit Account or the Dual Benefits Payments Account) to the Trust.

(e) AMENDMENTS TO RAILROAD RETIREMENT ACT.—Sections 231n(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)(1)) is amended by adding at the end the following new sentence: ‘‘As soon as possible, except those portions and all that follows after subsection (k) the following new subsection:’’

(f) NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—The National Railroad Retirement Investment Trust shall have power to make payments of amounts necessary to pay benefits payable from the Social Security Equivalent Benefit Account and the Dual Benefits Payments Account, or may be necessary to pay benefits under this Act (other than benefits paid from the Social Security Equivalent Benefit Account or the Dual Benefits Payments Account) to the Trust.

(g) NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—The National Railroad Retirement Investment Trust shall have the power to make payments of amounts necessary to pay benefits payable from the Social Security Equivalent Benefit Account and the Dual Benefits Payments Account, or may be necessary to pay benefits under this Act (other than benefits paid from the Social Security Equivalent Benefit Account or the Dual Benefits Payments Account) to the Trust.
TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 201. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

Except as otherwise provided, whenever in this title an amendment or repeal is expressed to apply to a section or part of a section other than section 3241 of the Internal Revenue Code of 1986, such amendment or repeal shall be made.

SEC. 202. EXEMPTION FROM TAX FOR NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.

Subsection (c) of section 501 of the Railroad Retirement Act of 1974 is amended to read as follows:

"(c) Amended—The National Railroad Retirement Investment Trust (hereinafter referred to as the 'Trust') shall, at least but less than but not more than the beginning of any calendar year, distribute to the railroad retirement trust funds the amount required by subsection (a) of section 3241 for such calendar year.

SEC. 203. REPEAL OF SUPPLEMENTAL ANNUITY TAX.

(a) Initial Computation and Certification by the Railroad Retirement Board. Each fiscal year ending after November 1, 2001, the Railroad Retirement Board shall compute the applicable percentage for such fiscal year and certify to the Secretary of the Treasury the applicable percentage for such fiscal year.

(b) Distribution of Benefits by the Trust. The National Railroad Retirement Investment Trust shall distribute to each individual entitled to receive a payment the amount of such payment, and the time at which the payment should be made.

(c) Certification of Distribution Date. The Railroad Retirement Board shall, on or before November 1 of each year, certify to the Secretary of the Treasury the distribution date for each individual entitled to receive a payment for the fiscal year ending in such year.

SEC. 204. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

The amendments made by section 201 to the Internal Revenue Code of 1986 are effective as if they had been enacted as part of the Revenue Reconciliation Act of 1986.
Railroad Retirement Investment Trust (and for years before 2002, the Social Security Equivalent Benefits Account) as of the close of such fiscal year by the total benefits and administrative expenses paid from the Railroad Retirement Account and the National Railroad Retirement Investment Trust during such fiscal year.

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SA 2171. Mr. LOTT (for himself, Mr. MURkowski, and Mr. BROWNBACK) proposed an amendment to amendment SA 2170 submitted by Mr. DASCHLE and intended to be proposed to the bill (H.R. 10) to provide for pension reform, and for other purposes; as follows:

At the appropriate place, insert the following new paragraphs:

Subchapter E. Tier 2 tax rate determination.

Effective Date.—The amendments made by this section shall apply to calendar years beginning after December 31, 2001.

Amend the title so as to read: “An Act to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.”

SA 2170. Mr. DASCHLE (for himself, Mr. MURkowski, and Mr. BROWNBACK) proposed an amendment to amendment SA 2170 submitted by Mr. DASCHLE and intended to be proposed to the bill (H.R. 10) to provide for pension reform, and for other purposes; as follows:

(b) Short Title.—This Act may be cited as the “Securing America’s Future Energy Act of 2001” or the “SAFE Act of 2001.”

TITLES

TITLE I—ENERGY CONSERVATION

Subtitle A—Reauthorization of Federal Energy Conservation Programs

Sec. 101. Authorization of appropriations.

Subtitle B—Federal Leadership in Energy Conservation

Sec. 102. Energy policy.

Sec. 122. Enhancement and extension of authority to enter utility incentive programs for energy savings.

Sec. 123. Clarification and enhancement of authority to enter utility incentive programs for energy savings.

Sec. 124. Federal central air conditioner and heat pump efficiency.

Sec. 125. Advanced building efficiency testbed.

Sec. 126. Use of interval data in Federal buildings.


Sec. 128. Capitol complex.

Subtitle C—State Programs

Sec. 131. Amendments to State energy programs.

Sec. 132. Reauthorization of energy conservation program for schools and hospitals.

Sec. 133. Amendments to Weatherization Assistance Program.

Sec. 134. LIHEAP.

Sec. 135. High performance public buildings.

Subtitle D—Energy Efficiency for Consumer Products

Sec. 141. Energy Star program.

Sec. 141A. Energy sun renewable and alternative energy program.

Sec. 142. Labeling of energy efficient appliances.

Sec. 143. Appliance standards.

Subtitle E—Energy Efficient Vehicles

Sec. 151. High occupancy vehicle exception.

Sec. 152. Railroad efficiency.

Sec. 153. Railclean diesel fuel use credits.

Sec. 154. Mobile to stationary source trading.

Subtitle F—Other Provisions

Sec. 161. Review of regulations to eliminate barriers to emerging energy technology.

Sec. 162. Advanced idle elimination systems.

Sec. 163. Study of benefits and feasibility of oil bypass filtration technology.

Sec. 164. Gas flare study.

Sec. 165. Tier 2 tax rate determination study.

TITLE II—AUTOMOBILE FUEL ECONOMY

Sec. 201. Average fuel economy standards for nonpassenger automobiles.

Sec. 202. Consideration of prescribing different average fuel economy standards for nonpassenger automobiles.

Sec. 203. Dual fueled automobiles.

Sec. 204. Fuel economy of the Federal fleet of automobiles.

Sec. 205. Hybrid vehicles and alternative vehicles.

Sec. 206. Federal diesel fuel petroleum-based non- alternative fuels.

Sec. 207. Study of feasibility and effects of reducing use of fuel for automobiles.

TITLE III—NUCLEAR ENERGY

Sec. 301. License period.

Sec. 302. Cost recovery from Government agencies.

Sec. 303. Depleted uranium hexafluoride.

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SEC. 2. ENERGY POLICY.

It shall be the sense of the Congress that the United States should take all actions necessary in the areas of conservation, efficiency, alternative source, technology development, and domestic production to reduce the United States' dependence on foreign energy sources, and, to reduce United States' dependence on Iraqi energy sources, and to reduce United States' dependence on oil from Iraq.

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Sec. 548(a)(2)(A)—

(1) in paragraph (1), by striking “copy of the”; and

(2) An agency shall designate such standard or practice by inserting “shall” for the words “may be” after “shall” in section 543(e).

(3) In section 548(b)(1)(A)—

(A) by striking “copy of the”; and

(B) by striking “sections 543(e) and 548(b)(1)” and inserting “sections 543(e) and paragraphs (1) and (2)”.

SEC. 543(b) of such Act is amended—

(1) in paragraph (1), by striking “(1) Not” and inserting “(1) Except as provided in paragraph (5), not”; and

(2) by adding at the end the following new paragraph:

“(A)(i) Agencies shall select only Energy Star products when available when acquiring energy-using products. For product groups where Energy Star labels are not yet available, agencies shall select products that are in the upper 25 percent of energy efficiency as designated by FEMP. In the case of electric motors of 1 to 500 horsepower, agencies shall select motor products with Energy Star labels or equivalent rating when available when acquiring energy-using products.

(2) Energy Conservation and Production Act, including sections 321 through 346 (42 U.S.C. 6291 through 6296) (energy efficiency and conservation policies and programs).

(3)-national energy conservation policy and programs, including sections 321 through 346 (42 U.S.C. 6291–6296) (energy efficiency and conservation policies and programs).


Subtitle B—Federal Leadership in Energy Conservation

SEC. 121. FEDERAL FACILITIES AND NATIONAL ENERGY SECURITY.

(a) PURPOSE.—Section 542 of the National Energy Conservation Act (42 U.S.C. 8252) is amended by inserting “and,” and, after the period at the end of subsection (f), “and shall develop policies and programs to promote energy efficiency, energy security, and energy independence, and shall promote energy efficiency and energy reliability.”

(b) ENERGY MANAGEMENT REQUIREMENTS.—

Section 543 of the National Energy Conservation Policy Act (42 U.S.C. 8253) is amended as follows:

(1) In subsection (a)(1), by striking “during the fiscal year 1995” and all that follows through and inserting “during—

(fiscal year 1995 is at least 10 percent;”;

(fiscal year 2000 is at least 20 percent;”;

(fiscal year 2005 is at least 30 percent;”;

(fiscal year 2010 is at least 35 percent;”;

(fiscal year 2015 is at least 40 percent; and

(fiscal year 2020 is at least 45 percent), less than the energy consumption per gross square footage of its Federal buildings in use during fiscal year 2003, $1,000,000,000; for fiscal year 2004, $1,050,000,000; for January 1, 2012, and to reduce United States’ dependence on Iraqi energy sources, and to reduce United States’ dependence on oil from Iraq.

(2) In subsection (d), by inserting “The Secretary shall designate such standard or practice by inserting “shall” for the words “may be” after “shall” in section 543(e).”

(3) by adding at the end the following section:

“(c) STUDIES.—To assist in developing the guidelines issued by the Secretary under subsection (b) of this section, the Secretary shall conduct studies to identify and encourage the production and marketing of unconventional and renewable energy resources, using guidelines issued by the President under subsection (d) of this section.”

(4) by adding at the end the following new paragraph:

“(d) The Administrator of the General Services Administration, with assistance from the Federal Acquisition Regulation (FAR) Council, shall develop guidelines for energy efficiency in Federal facilities, including energy conservation, energy efficiency, and energy independence, and shall ensure that all Federal agencies are certified as Energy Star partners.

(2) The President shall only declare buildings described in paragraph (1) to be excluded, not ancillary or nearby facilities that are not in themselves national security facilities.”

In section 548(b)(1)(A)—

(1) by striking “copy of the”; and

(2) by striking “sections 543(e) and 548(b)(1)” and inserting “sections 543(e) and paragraphs (1) and (2)”.

(3) in section 548(b)(1)(A)—

(1) by striking “copy of the”; and

(2) by striking “sections 543(e) and 548(b)(1)” and inserting “sections 543(e) and paragraphs (1) and (2)”.

(3) National Energy Conservation Policy Act (42 U.S.C. 8259) is amended as follows:

(1) by adding at the end the following new paragraph:

“(b) The term ‘unconventional and renewable energy resources’ includes renewable energy sources, hydrogen, fuel cells, cogeneration, combined heat and power, heat recovery (including by use of a steam turbine engine), and distributed generation.”

Sec. 121. FEDERAL FACILITIES AND NATIONAL ENERGY SECURITY.

SUMMARY

The Energy Policy Act of 1992, Executive Orders, and other Federal law:

(a) The President declares the building to require exclusion for national security reasons; and

(b) the agency responsible for the building has

(i) completed and submitted all federally required energy management plans; and

(ii) achieved compliance with the energy efficiency requirements of this Act, the Energy Policy Act of 1992, Executive Orders, and other Federal law.

(iii) implemented all practical, life cycle cost-effective projects in the excluded building.

(2) The President shall only declare buildings described in paragraph (1)(A) to be excluded, not ancillary or nearby facilities that are not in themselves national security facilities.

The Energy Policy Act of 1992, Executive Orders, and other Federal law:

(a) The President declares the building to require exclusion for national security reasons; and

(b) the agency responsible for the building has

(i) completed and submitted all federally required energy management plans; and

(ii) achieved compliance with the energy efficiency requirements of this Act, the Energy Policy Act of 1992, Executive Orders, and other Federal law.

(iii) implemented all practical, life cycle cost-effective projects in the excluded building.

The Energy Policy Act of 1992, Executive Orders, and other Federal law:

(a) The President declares the building to require exclusion for national security reasons; and

(b) the agency responsible for the building has

(i) completed and submitted all federally required energy management plans; and

(ii) achieved compliance with the energy efficiency requirements of this Act, the Energy Policy Act of 1992, Executive Orders, and other Federal law.

(iii) implemented all practical, life cycle cost-effective projects in the excluded building.

(2) The President shall only declare buildings described in paragraph (1)(A) to be excluded, not ancillary or nearby facilities that are not in themselves national security facilities.

The Energy Policy Act of 1992, Executive Orders, and other Federal law:

(a) The President declares the building to require exclusion for national security reasons; and

(b) the agency responsible for the building has

(i) completed and submitted all federally required energy management plans; and

(ii) achieved compliance with the energy efficiency requirements of this Act, the Energy Policy Act of 1992, Executive Orders, and other Federal law.

(iii) implemented all practical, life cycle cost-effective projects in the excluded building.

(2) The President shall only declare buildings described in paragraph (1)(A) to be excluded, not ancillary or nearby facilities that are not in themselves national security facilities.

The Energy Policy Act of 1992, Executive Orders, and other Federal law:

(a) The President declares the building to require exclusion for national security reasons; and

(b) the agency responsible for the building has

(i) completed and submitted all federally required energy management plans; and

(ii) achieved compliance with the energy efficiency requirements of this Act, the Energy Policy Act of 1992, Executive Orders, and other Federal law.

(iii) implemented all practical, life cycle cost-effective projects in the excluded building.

(2) The President shall only declare buildings described in paragraph (1)(A) to be excluded, not ancillary or nearby facilities that are not in themselves national security facilities.
Basic Ordering Agreements, Blanket Purchasing Agreements, Government Wide Acquisition Contracts, and all other purchasing procedures.

"(iv) The legislative branch shall be subject to this subparagraph to the same extent and in the same manner as are the Federal agencies referred to in section 531(1).

"(B) Not later than 6 months after the date of the enactment of this paragraph, the Secretary of Energy shall establish guidelines defining the circumstances under which an agency is required to comply with subparagraph (A). Such circumstances may include the absence of Energy Star products, systems, or designs that are not available or are not appropriate products, systems, or designs.

"(C) Subparagraph (A) shall apply to agency acquisitions occurring on or after October 1, 2001.

(f) Metering.—Section 543 of such Act (42 U.S.C. 8254) is amended by adding at the end the following new subsection:

"(1) By October 1, 2004, all Federal buildings including buildings owned by the legislative branch and the Federal court system and other energy-using structures shall be metered or submetered in accordance with guidelines established by the Secretary under subsection (2).

"(2) Not later than 180 days after the date of the enactment of this subsection, the Secretary, in consultation with the General Services Administration and representatives from the metering industry, energy services industry, national laboratories, colleges of higher education, and federal facilities energy managers, shall establish guidelines for agencies pursuant to paragraph (1). Such guidelines shall take into consideration each of the following:

(A) Cost.

(B) Sources, including personnel, required to maintain, interpret, and report on data so that the meters are continually reviewed.

(C) Energy management potential.

(D) Energy savings.

(E) Utility contract aggregation.

(F) Savings from operations and maintenance.

"(3) A building shall be exempt from the requirement of this section to the extent that compliance is deemed impractical by the Secretary. Such a determination shall be based on the same factors as identified in subsection (c) of this section.

(g) Restriction on Subcontracting.—Section 546 of such Act (42 U.S.C. 8256) is amended by adding at the end the following new subsection:

"(e) Restriction of Energy Savings.—An agency may retain any funds appropriated to that agency for energy expenditures, at buildings subject to the requirements of section 546, that are not made because of energy savings. Except as otherwise provided by law, such funds may be used only for energy efficiency or unconventional and renewable energy resources projects.

(h) Reports.—Section 548 of such Act (42 U.S.C. 8258) is amended as follows:

(1) In subsection (a)—

(A) by striking "and" after "Federa"; and

(B) by striking the end of the preceding paragraph.

(2) In subsection (b)—

(A) by striking "and" at the end of paragraph (3); and

(B) by striking the preceding paragraph and inserting "a list of measures and information on progress toward meeting the goals for each measure, shall report annually to the Congress on a uniform basis the progress toward meeting the goals for each energy- or water-saving measure at the Federal facilities identified in the report required by subsection (a), and annual progress toward achieving the goals established under this section on a consistent basis for all Federal facilities.

(3) Water or Energy Conservation Measure.—Section 804(4) of the National Energy Conservation Policy Act (42 U.S.C. 8287c(4)) is amended to read as follows:

"(4) The term 'energy or water conservation measure' means—

(a) energy conservation measure, as defined in section 551(a) (42 U.S.C. 8259(a)); or

(b) a water conservation measure that improves water efficiency, is life cycle cost effective, and involves water recycling or reuse, improvements in operation or maintenance efficiencies, retrofit activities, or other related activities, not at a Federal hydroelectric facility.

(4) Conforming Amendment.—Section 803(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8267(a)(2)) is amended by adding at the end the following new paragraph:

"(b) Extension of Authority.—Section 803(c) of the National Energy Conservation Policy Act (42 U.S.C. 8267(c)) is repealed.

(c) Contracting and Auditing.—Section 803(a)(2) of the National Energy Conservation Policy Act (42 U.S.C. 8267(a)(2)) is amended by adding at the end the following new paragraph:

"(b) Federal agency shall engage in contracting and auditing to implement energy savings performance contracts as necessary and appropriate to ensure compliance with the requirements of this Act, particularly the energy efficiency requirements of section 543.

SEC. 123. CLARIFICATION AND ENHANCEMENT OF AUTHORITY RELATING TO FEDERAL ENERGY USES INCENTIVE PROGRAMS FOR ENERGY SAVINGS

Section 806(b) of the National Energy Conservation Policy Act (42 U.S.C. 8266(b)) is amended as follows:

(1) In paragraph (3) by adding at the end the following:

"such a utility incentive program may include a contract or contract term designed to provide for cost-effective electricity demand management, energy efficiency, or water conservation.

(2) By adding at the end the following new paragraphs:

"(b) Federal agencies are authorized to participate in State or regional demand side reduction programs, including those operated by wholesale market institutions such as independent system operators, regional transmission organizations and other entities. The availability of such programs, and the savings resulting from such participation, could be included as an energy option for Federal facilities."

SEC. 124. FEDERAL CENTRAL AIR CONDITIONER AND HEAT PUMP EFFICIENCY

Section 804(a) of the Energy Policy Act (42 U.S.C. 8287c(a)) is amended by adding at the end the following:

"(b) Standards.—The standards referred to in subsection (a) are the following:

(1) For air-cooled central air conditioners with cooling capacities of less than 65,000 Btu/hour, a Seasonal Energy Efficiency Ratio of 12.0.

(2) For air-source heat pumps with cooling capacities less than 65,000 Btu/hour, a Seasonal Energy Efficiency Ratio of 12.0, and a Heating Seasonal Performance Factor of 7.4.

(3) MODIFIED STANDARDS.—The Secretary of Energy may establish, after appropriate notice and comment, revised standards providing for reduced energy consumption or increased energy efficiency of central air conditioners and heat pumps acquired by the Federal Government, but may not establish standards less rigorous than those established by subsection (b).

(4) Definitions.—For purposes of this section, the terms "Energy Efficiency Ratio", "Seasonal Energy Efficiency Ratio", "Heat Pump Seasonal Performance Factor", and "Cooling Seasonal Energy Efficiency Ratio" mean—

"the ratio of the cooling capacity of the air conditioner or heat pump, divided by the ratio of the ratio of the energy consumed by the air conditioner or heat pump for cooling purposes, over a period of time, divided by the ratio of the cooling capacity of the air conditioner or heat pump for cooling purposes, over a period of time, the product of which is the Energy Efficiency Ratio of the air conditioner or heat pump;"
"Seasonal Energy Efficiency Ratio", "Heating Seasonal Performance Factor", and "Coefficient of Performance" have the meanings used for those terms in Appendix M to Subpart C of Title 10 of the Code of Federal Regulations, as in effect on May 24, 2001.

(e) EXEMPTIONS.—An agency shall be exempt from the requirements of this section with respect to air conditioner or heat pump purchases for particular uses where the agency head determines that purchase of an air conditioner or heat pump for such use would be impractical. A finding of impracticability shall be based on whether—

(1) the energy savings pay-back period for such purchases is too long;

(2) space constraints or other technical factors would make compliance with this section cost-prohibitive; or

(3) in the case of the Departments of Defense and Energy, compliance with this section would be inconsistent with the proper discharge of national security functions.

SEC. 125. ADVANCED BUILDING EFFICIENCY TESTED.

(a) ESTABLISHMENT.—The Secretary of Energy shall establish an Advanced Building Efficiency Testbed program for the development, testing, and demonstration of advanced engineering systems, components, and materials to enable innovations in building technologies. The program shall evaluate government and industry building efficiency concepts, and demonstrate the ability of next generation buildings to support individual and organizational productivity and health as well as flexibility and technological change to improve environmental sustainability.

(b) PARTICIPANTS.—The program established under subsection (a) shall be led by a university having demonstrated experience with the application of intelligent workplace and organizational productivity and health as well as flexibility and technological change to improve environmental sustainability.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $75,000,000 for fiscal year 2002, $130,000,000 for fiscal year 2003, and $500,000,000 for fiscal year 2004, and $500,000,000 for fiscal years 2005 through 2009.

SEC. 126. USE OF INTERVAL DATA IN FEDERAL BUILDINGS.

Section 364 of the Energy Policy and Conservation Act (42 U.S.C. 6232) is amended by adding at the end the following new subsection:

[(b) USE OF INTERVAL DATA IN FEDERAL BUILDINGS.—Not later than January 1, 2003, each agency shall utilize, to the maximum extent practicable, for the purposes of efficient use of energy and reduction in the cost of electricity consumed in its Federal buildings, interval consumption data that measure on a real time or daily basis consumption of electricity by in its Federal buildings. To meet the requirements of this subsection each agency shall prepare and submit at the earliest opportunity pursuant to section 548(a) of the Energy Policy and Conservation Act (42 U.S.C. 6205(a)) a plan containing how the agency intends to meet such requirements, including how it will designate personnel primarily responsible for achieving such requirements, and otherwise implement this subsection.]

SEC. 127. REVIEW OF ENERGY SAVINGS PER- FORMANCE REQUIREMENTS.

Within 180 days after the date of the enactment of this Act, the Secretary of Energy shall complete a review of the Energy Savings Performance Requirements of the Committee to identify statutory, regulatory, and administrative obstacles that prevent Federal agencies from fully utilizing the program. In addition, the review shall identify all areas for increasing program flexibility and effectiveness, including audit and measurement verification requirements, accounting for energy savings, certifying savings, contracting requirements, and energy efficiency services covered. The Secretary shall report these findings to the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate, and shall implement changes to increase program flexibility and effectiveness to the extent that such changes are consistent with statutory authority.

SEC. 128. CAPITAL COMPLEX

(a) ENERGY INFRASTRUCTURE.—The Architect of the Capitol, building on the Master Plan Study completed in July 2000, shall commission a study to evaluate the energy infrastructure of the Capitol Complex to determine how the infrastructure could be augmented to become more energy efficient, using unconventional and renewable energy resources, in a way that would enable the Complex to have reliable utility service in the event of power fluctuations, shortages, or outages.

(b) AUTHORIZATION.—There is authorized to be appropriated to the Architect of the Capitol to carry out this section, not more than $100,000,000 for each of fiscal years 1999 through 2003.

SEC. 129. REVIEW OF ENERGY SAVINGS PER- FORMANCE PROGRAMS (a) STATE ENERGY CONSERVATION PLANS.—Section 362 of the Energy Policy and Conservation Act (42 U.S.C. 6232) is amended by inserting at the end the following new subsection:

(‘‘(g) The Secretary shall, at least once every 3 years, invite the Governor of each State to review and, if necessary, revise the energy conservation plan of such State submitted under subsection (b) or (e). Such reviews should consider the energy conservation plans of other States within the region, and identify opportunities and actions carried out in pursuit of common energy conservation goals.’’)

(b) STATE ENERGY EFFICIENCY GOALS.—Section 364 of the Energy Policy and Conservation Act (42 U.S.C. 6234) is amended by inserting “Each State energy conservation plan of a State which assistance is made available under this part on or after the date of the enactment of Energy Conservation and Production Act of 2001, shall contain a goal, consisting of an improvement of 25 percent or more in the efficiency of use of energy in the State concerned in the calendar year 2010 as compared to the calendar year 1990, and may contain interim goals.” after “contain interim goals.”

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 365 of the Energy Policy and Conservation Act (42 U.S.C. 6235) is amended by striking “fiscal years 1999 through 2003” and inserting “fiscal years 2002, $342,000,000 for fiscal year 2002, $325,000,000 for fiscal year 2003, $400,000,000 for fiscal year 2004, and $300,000,000 for fiscal years 2005 through 2009.”

SEC. 130. LIHEAP

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended by striking the first sentence and inserting the following: “There are authorized to be appropriated to carry out the provisions of this title (other than section 2607(A), $3, 400,000,000 for each of fiscal years 2001 through 2005.”

(b) GAO STUDY.—The Comptroller General of the United States shall conduct a study to determine—

(1) the extent to which Low-Income Home Energy Assistance (LIHEAP) and other government energy subsidies paid to consumers displace energy savings and encourage energy use and energy efficiency investments when compared to structures of the same physical description and occupancy in compatible geographic locations;

(2) the extent to which education could increase the conservation of low-income household who opt to receive supplemental income through Low-Income Home Energy Assistance funds; and

(3) the extent of energy conservation that results from structural inadequacies in a structure that is unhealthy, not energy efficient, and environmentally unsound and that education could increase.

SEC. 131. AMENDMENTS TO WEATHERIZATION AS- SISTANCE PROGRAM

(a) PROGRAM ESTABLISHMENT AND ADMINIS- TRATION.—(1) ESTABLISHMENT.—There is established in the Department of Energy the High Performance Public Buildings Program referred to as the “Program”.

(b) SUPPORT FOR STATE AND LOCAL GOV- ERNMENT PROGRAMS.—(B) the Program, may, through the Program, make grants—

(1) to assist units of local government in the production, through construction or renovation of buildings and facilities they own and operate, of high performance public buildings and facilities that are healthy, productive, energy efficient, and environmentally sound;

(2) to State energy offices to administer the program of assistance to units of local government pursuant to this section; and

(3) to State energy offices to promote participation by units of local government in the Program.

SEC. 132. REAUTHORIZATION OF ENERGY CON- SERVATION PROGRAM FOR SCHOOLS AND HOSPITALS.

Section 207 of the Energy Policy and Conservation Act (42 U.S.C. 6371f) is amended by striking “2003” and inserting “2010”.
Grants under paragraph (2)(A) for existing public buildings shall be used to achieve energy efficiency performance that reduces energy use below the public building baseline consumption and a 3-year, weather-normalized average for calculating such baseline. Grants under paragraph (2)(A) shall be made to units of local government that have—

(A) demonstrated a need for such grants in order to respond appropriately to increasing population or to make major investments in renewable energy technologies; and

(B) made a commitment to use the grant funds to develop high performance public buildings in accordance with a plan developed and approved pursuant to paragraph (5)(A).

(4) OTHER GRANTS.—

(A) GRANTS FOR ADMINISTRATION.—Grants under paragraph (2)(B) shall be used to evaluate compliance by units of local government with the requirements of this section, and in addition may be used for—

(i) distributing information and materials to clearly define and promote the development of high performance public buildings for both new and existing facilities;

(ii) organizing and conducting programs for local government personnel, architects, engineers, and others to advance the concepts of high performance public buildings;

(iii) providing technical assistance in planning and designing high performance public buildings; and

(iv) collecting and monitoring data and information pertaining to the high performance public building projects.

(B) GRANTS TO PROMOTE PARTICIPATION.—Grants under paragraph (2)(C) may be used for promotional and marketing activities, including facilitating private and public financing, promoting the use of energy service companies, working with public building users, coordinating public benefit programs.

(5) IMPLEMENTATION.—

(A) PLANS.—A grant under paragraph (2)(A) shall be provided only to a unit of local government that, in consultation with its State office of energy, has developed a plan that the State energy office determines to be feasible and necessary in order to achieve the purposes for which such grants are made.

(B) SUPPLEMENTING GRANT FUNDS.—State energy offices shall encourage qualifying units of local government to supplement their grant funds with funds from other sources in the implementation of their plans.

(b) ALLOCATION OF FUNDS.—

(1) APPROPRIATIONS.—Except as provided in paragraph (3), funds appropriated to carry out this section shall be provided to State energy offices.

(2) PURPOSES.—Except as provided in paragraph (3), funds appropriated to carry out this section shall be allocated as follows:

(A) Seventy percent shall be used to make grants under subsection (a)(2)(A).

(B) Fifteen percent shall be used to make grants under subsection (a)(2)(B).

(C) Fifteen percent shall be used to make grants under subsection (a)(2)(C).

(3) OTHER FUNDS.—The Secretary of Energy may retain not to exceed $300,000 per year from amounts appropriated under subsection (c) to assist State energy offices in coordinating and implementing the Program. Such funds may be used to develop reference materials to further define the principles and criteria to achieve high performance public buildings.

(c) AUTHORIZATION OF APPROPRIATIONS.—

There are authorized to be appropriated to the Secretary of Energy to carry out this section such sums as may be necessary for each of the fiscal years 2002 through 2010.

(d) REPORT TO CONGRESS.—The Secretary of Energy shall conduct a biennial review of State actions implementing this section, and the Secretary shall report to Congress on the results of such review. In conducting such review, the Secretary shall assess the effectiveness of the calculation procedures used by the States in establishing eligibility of units of local government for funding under this section, and may assess other aspects of the State program to determine whether they have been effectively implemented.

(e) DEFINITIONS.—For purposes of this section:

(1) HIGH PERFORMANCE PUBLIC BUILDING.—The term “high performance public building” means a public building which, in its design, construction, operation, and maintenance, maximizes use of unconventional and renewable energy resources and energy efficiency practices, is cost-effective on a life cycle basis, uses affordable, environmentally preferable, durable materials, enhances indoor air quality, and optimizes site potential.

(2) RENEWABLE ENERGY.—The term “renewable energy” means energy produced by solar, wind, geothermal, hydroelectric, or biomass power.

(3) UNCONVENTIONAL AND RENEWABLE ENERGY RESOURCES.—The term “unconventional and renewable energy resources” means renewable energy, hydrogen, fuel cells, cogeneration, combined heat and power, ice storage heating (including use of a Stirling heat engine), and distributed generation.

Subtitle D—Energy Efficiency for Consumer Products

SEC. 141. ENERGY STAR PROGRAM.

SEC. 141A. ENERGY STAR PROGRAM.

(a) AMENDMENT.—The Energy Policy and Conservation Act (42 U.S.C. 6201 and following) is amended by inserting after the item relating to section 324 the following new item:

“Sec. 324A. Energy Star program.”

SEC. 141A. ENERGY SUN RENEWABLE AND ALTERNATIVE ENERGY PROGRAM.

(b) PROGRAM.—There is established at the Environmental Protection Agency and the Department of Energy a government-industry partnership program to identify and promote the purchase of renewable and alternative energy products, to recognize companies that purchase renewable and alternative energy products for the environmental and energy security benefits of such purchases, and to elevate consciousness about the environmental and energy security benefits of renewable and alternative energy.

(c) COOL ROOFING.—The Administrator shall work with the roofing industry and, following completion of the building integrated photovoltaic system study, work with the roofing products industry to define the appropriate solar reflective index of roofing products.

(d) STUDY OF CERTAIN PRODUCTS AND BUILDINGS.—Within 180 days after the date of enactment of this section, the Administrator shall report to Congress on the results of a study of the energy efficiency of certain products and buildings, including the following:

(1) Air conditioners.

(2) Ceiling fans.

(3) Light commercial heating and cooling products.

(4) Reach-in refrigerators and freezers.

(5) Telephones.

(6) Cooking and hot water heating machines.

(7) Residential water heaters.

(8) Refrigerated beverage merchandisers.

(9) Commercial ice makers.

(10) School buildings.

(11) Retail buildings.

(12) Health care facilities.

(13) Homes.

(14) Hotels and other commercial lodging facilities.

(15) Restaurants and other food service facilities.

(16) Solar water heaters.

(17) Building-integrated photovoltaic systems.

(18) Reflective pigment coatings.

(19) Windows.

(20) Boilers.

(21) Devices to extend the life of motor vehicle oil.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Treasury of the United States for fiscal years beginning after the enactment of this Act such sums as may be necessary to carry out this section and to pay the reasonable costs of the programs under this section, including expenditures for—

(1) grants and contracts.

(2) research and development.

(3) studies and surveys.

(4) technical assistance.

(5) planning, training, and education.

(6) evaluation of the programs and policies under this section.
For the purposes of carrying out this section, there is authorized to be appropriated $10,000,000 for each of fiscal years 2002 through 2006.

(b) Application of Certain Products, Technologies, and Buildings.—Within 18 months after the enactment of this section, the Administrator shall, with the terms of agreements between the two agencies, conduct a study to determine whether the Energy Sun label should be authorized for products, technologies, and buildings in the following categories:

(1) Passive solar, solar thermal, concentrating solar energy, solar water heating, and related solar products and building technologies.
(2) Solar photovoltaics and other solar electric power generation technologies.
(3) Geothermal.
(4) Biomass.
(5) Distributed energy (including, but not limited to, microturbines, combined heat and power, fuel cells, and stirling heat engines).
(6) Green power or other renewables and alternative based electric power products (including green tag credits) sold to retail consumers of electricity.
(7) Home appliances.
(8) Commercial buildings.
(9) Retail buildings.
(10) Health care facilities.
(11) Hotels and other commercial lodging facilities.
(12) Restaurants and other food service facilities.
(13) Best area facilities along interstate highways.
(14) Sports stadia, arenas, and concert facilities.
(15) Any other product, technology or building category, the accelerated recognition of which the Administrator or the Secretary determines to be necessary or appropriate for the achievement of the purposes of this section.

Nothing in this subsection shall be construed to limit the discretion of the Administrator or the Secretary under subsection (a)(1) to include in the Energy Sun program additional products, technologies, and buildings not listed in this subsection. Participation by parties in any programs or studies authorized by this section shall be voluntary, and by permission of the Administrator or Secretary, on terms and conditions the Administrator or the Secretary (consistent with agreements between the agencies) deems necessary or appropriate to carry out the purposes and requirements of this section.

(c) Definition.—For the purposes of this section, the term ‘renewable and alternative energy’ shall have the same meaning as the term ‘unconventional and renewable energy resources’ in Section 551 of the National Energy Conservation Policy Act (42 U.S.C. 629g).

(b) Table of Contents Amendment.—The table of contents of the Energy Policy and Conservation Act is amended by inserting after the item relating to section 324A the following new item:

“Sec. 324B. Energy Sun renewable and alternative energy program.”

SEC. 142. LABELING OF ENERGY EFFICIENT APPLIANCES.

(a) Study.—Section 324(e) of the Energy Policy and Conservation Act (42 U.S.C. 6295(e)) shall apply as follows:

(1) By inserting “(i)” before “the Secretary, in consultation”.

(b) By redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively.

(c) By adding the following new paragraph at the end:

“(2) The Secretary shall make recommendations to the Commission within 180 days of the date of the enactment of this paragraph regarding labeling of consumer products in accordance with this section, in accordance with section 324A, and in accordance with section 328(a)(2) of the Energy Policy and Conservation Act (42 U.S.C. 629e).”

(b) Noncovered Products.—Section 328(a)(2) of the Energy Policy and Conservation Act (42 U.S.C. 629e) is amended by adding the following at the end:

“(P) Not later than 1 year after the date of the enactment of this subsection, the Commission shall initiate a rulemaking to provide the effectiveness of the current consumer products labeling program in assisting consumers in making purchasing decisions and is technologically and economically feasible.

(Q) Not later than 1 year after the date of the enactment of this subsection, the Commission shall initiate a rulemaking to provide for the effectiveness of the current consumer products labeling program in assisting consumers in making purchasing decisions and is technologically and economically feasible.

(R) The National Energy Policy and Conservation Act (42 U.S.C. 6295(n)(1)) is amended by adding the following:

“(s) The Administrator shall adopt an energy conservation standard that is technologically feasible and economically justified under section 326(e)(2)(A) (in lieu of the one standard under subparagraph (A)).

(T) A manufacturer or importer of a household appliance may submit to the Secretary an application for an exemption of the household appliance from the standard under paragraph (2).

(U) The Secretary shall grant an exemption for a household appliance meeting the standard if the applicant demonstrates the household appliance meeting the standard would not equal the increase in the price of the household appliance that would be attributable to the modified appliance.

(V) The modified appliance is likely to assist the household appliance to meet the standard by the earlier of—

(I) the date that is 7 years after the date of the enactment of this subsection; or

(II) the end of the useful life of the household appliance.

(W) The Secretary determines that it is not technically feasible to modify a household appliance to meet the standard under paragraph (2), the Secretary shall establish a different standard for the household appliance in accordance with the criteria under subsection (1).

(X) A not later than 1 year after the date of the enactment of this subsection, the Secretary shall establish a test procedure for determining the amount of consumption of power by a household appliance operating in standby mode.

(Y) In establishing the test procedure, the Secretary shall consider—

(i) international test procedures under development;

(ii) test procedures used in connection with the Energy Star program; and

(iii) test procedures used for measuring power consumption in standby mode in other countries.

(Z) Further Reduction of Standby Power Consumption.—The Secretary shall provide technical assistance to manufacturers in achieving further reductions in standby mode electric energy consumption by household appliances.

(1) Standby Mode Electric Energy Consumption by Digital Televisions, Digital Set Top Boxes, and Digital Video Recorders.—The Secretary shall, not later than 10 months after the date of enactment of this subsection, in accordance with subsections (o) and (p), an energy conservation standard of standby mode electric energy consumption by digital televisions, digital set top boxes, and digital video recorders. The Secretary shall issue a final rule prescribing such standards not later than 18 months after operating in determining whether a standard under this section is technologically feasible and economically justified under section 326(e)(2)(A), the Secretary shall consider the effectiveness of the current consumer products labeling program in assisting consumers in making purchasing decisions and is technologically and economically justified under section 326(e)(2)(A) (in lieu of the one standard under subparagraph (A)).

(2) Section 325(o)(3) of the Energy Policy and Conservation Act (42 U.S.C. 629n(n)(1)) is amended by adding the following at the end:

“(P) Not later than 1 year after the date of the enactment of this subsection, the Commission shall initiate a rulemaking to prove the effectiveness of the label. Such rulemaking shall be completed within 15 months of the date of the enactment of this subsection.

(R) The term ‘standby mode’ means a mode in which a household appliance consumes the least amount of electric energy that the household appliance is capable of consuming without being completely switched off.

(T) The term ‘energy savings’ as compared to energy savings achieved or expected to be achieved by standards established by the Secretary under subsections (o) and (p) that were, at the time of the enactment of this subsection, covered products under this section.

(2A) As excepted in subparagraph (B), a household appliance that is manufactured in, or imported for sale in, the United States on or after the date that is 2 years after the date of the enactment of this subsection shall not consume in standby mode more than 1 watt.
amended by inserting at the end of the para-
graph the following: ‘‘Notwithstanding any provision of this part, the Secretary shall not amend a standard established under sub-
section (a) thereof.”
(b) STANDARDS FOR NONCOVERED PRO-
DUCTS.—Section 325(m) of the Energy Policy and Conservation Act (42 U.S.C. 6290(m)) is amended by
inserting “(1) before “After”.
(2) Inserting the following at the end:
“(2) Not later than 1 year after the date of the enactment of the Energy Advancement and Conservation Act of 2001, the Secretary shall conduct a rulemaking to determine whether standards for products not classified as a covered product under section 322(a)(1) through (18) meet the criteria of section 322(b)(1) and is a major consumer of elec-
tricity. If the Secretary finds that a con-
sumer product that is not classified as a covered product meets the criteria of section 322(b)(1), he shall prescribe, in accordance
with subsections (o) and (p), an energy con-
servation standard for such consumer prod-
cut, if such standard is reasonably probable
to be technologically feasible and economi-
cally justified within the meaning of sub-
section (o)(2)(A). As used in this paragraph,
the term ‘‘major consumer of electricity’’ means a product in which a standard is pre-
scribed under this section would result in
substantial aggregate energy savings as com-
pared to energy savings achieved or expected to be achieved by standards established by the Secretary under paragraphs (o) and (p) of this section for products that were, at the time of the enactment of this paragraph, covered products under this section.
(c) CONSUMER EDUCATION ON ENERGY EFFI-
CIENCY BENEFITS OF AIR CONDITIONING, HEAT-
ING AND VENTILATION MAINTENANCE.—Section 337 of the Energy Policy and Conservation Act (42 U.S.C. 6307) is amended by adding the following new subsection after subsection (b):
“(c) HVAC MAINTENANCE.—For the purpose of ensuring that installed air conditioning and heating systems operate at their maximum rated efficiency levels, the Secretary shall, within 180 days of the date of the en-
actment of this subsection, develop and im-
plement a public education campaign to edu-
cate homeowners and small business owners concerning the energy savings resulting from regularly scheduled maintenance of air condi-
tioning, heating, and ventilating systems. In developing and implementing this cam-
paign the Secretary shall consider methods determined by the Department of public education pro-
grams sponsored by trade and professional
and energy efficiency organizations. The public service information shall provide suf-
cient information to allow consumers to
make informed choices from among profes-
sional contractors (state or local license-
ning is required) contractors. There are au-
thorized to be appropriated for this section $5,000,000 for fiscal years 2002 and 2003 and $2,000,000 for fiscal years 2004 and 2005 for carrying out this subsection.
(2) STANDARDS FOR ADDITIONAL CONSUMER
PRODUCTS.—Section 325 of the Energy Policy and Conservation Act (42 U.S.C. 6290) is amended by adding the following at the end thereof:
“(w) RESIDENTIAL FURNACE FANS, CENTRAL
AIR AND HEAT PUMP CIRCULATION FANS, SUS-
PENDED CEILING FANS, AND VENDING MA-
CHINES.—(1) The Secretary shall, within 18 months after the date of the enactment of this subsection, assess the current and pro-
jected future market for residential furnace fans, residential central air conditioner and heat pump circulation fans, sus-
pended ceiling fans, and refrigerated bottled or canned beverage vending machines. This assessment shall include an examination of the types of products in use, the annual sales of these products, energy used by these products, estimates of the potential energy savings from specific technical improvements to these products, and the cost-effectiveness of these improvements. Prior to the end of this time period, the Secretary shall hold an initial scoping workshop to discuss and re-
ceive input for minimum efficiency standards for these products.
(2) The Secretary shall within 24 months after the date on which testing requirements for such products, prescribed by the Secretary pursuant to section 323(f), prescribe, by rule, energy con-
servation standards for residential furnace fans, residential central air conditioner and heat pump circulation fans, sus-
pended ceiling fans, and refrigerated bottled or canned beverage vending machines. In establishing these standards, the Secretary shall use the criteria and procedures contained in sub-
sections (l) and (m). Any standard prescribed under this section shall apply to products manufactured 36 months after the date such rule is published
(3) LABELING.—Section 324(a) of the Energy Policy and Conservation Act (42 U.S.C. 6294(a)) is amended by adding the following at the end thereof:
“(5) The Secretary shall within 6 months after the date on which energy conservation standards are prescribed the Secretary for covered products referred to in section 325(w), prescribe, by rule, labeling require-
ments for such products. Such requirements shall take effect on the same date as the standards prescribed pursuant to section 325(w).
(b) COVERED PRODUCTS.—Section 322(a) of the Energy Policy and Conservation Act (42 U.S.C. 6292(a)) is amended by redesignating paragraph (19) as paragraph (20) and by in-
serting after paragraph (19) the following:
“(19) Beginning on the effective date for standards established pursuant to subsection (v) of section 325, each product referred to in such subsection.
Subtitle E—Energy Efficient Vehicles
SEC. 151. HIGH OCCUPANCY VEHICLE EXCE-
PTION.
(a) IN GENERAL.—Notwithstanding section 102(a)(1) of title 23, United States Code, a State may, for the purpose of promoting energy con-
servation, permit a vehicle for which 2 occupants to operate in high oc-
cupancy vehicle lanes if such vehicle is a hy-
brid vehicle or is fueled by an alternative fuel.
(b) HYBRID VEHICLE DEFINED.—In this sec-
tion, the term “hybrid vehicle” means a vehicle
motor—
(1) which draws propulsion energy from on-
board sources of stored energy which are both
(a) an internal combustion or heat engine using combustible fuel; and
(b) a rechargeable energy storage system;
(2) which, in the case of a passenger auto-
mobile or light truck—
(A) for 2002 and later model vehicles, has received a certificate of conformity under section 206 of the Clean Air Act (42 U.S.C. 7525) and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243a(e)(2) of the Clean Air Act (42 U.S.C. 7583(e)(2)) for that make and model year; and
(B) for 2001 and later model vehicles, has received a certificate that such vehicle meets the Tier II emission level established in regulations prescribed by the Adminis-
trator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7525(1)) for that make and model year vehicle; and
(3) which is made by a manufacturer.
(c) ALTERNATIVE FUEL DEFINED.—In this sec-
tion, the term “alternative fuel” has the mean-
ing such term has under section 301(2) of the Energy Policy Act of 1992 (42 U.S.C. 13211(2)).
SEC. 152. RAILROAD EFFICIENCY.
(a) LOCOMOTIVE TECHNOLOGY DEMONSTRA-
tIONS.—The Secretary of Energy shall estab-
lish a public-private research partnership with railroad carriers, locomotive manu-
facturers, and a world-class research and test facility dedicated to the advancement of rail-
road technology, efficiency, and safety that is owned by the Federal Railroad Adminis-
tration and operated in the private sector, for the development and demonstration of lo-
comotive technologies that increase fuel economy and reduce emissions.
(b) ALTERNATIVE FUELS.—There are authorized to be appropriated to the Secretary of Energy $25,000,000 for fiscal year 2002, $30,000,000 for fiscal year 2003, and $25,000,000 for fiscal year 2004 for carrying out this section.
SEC. 153. BIODIESEL FUEL USE CREDITS.
Section 312(c) of the Energy Policy Act of 1992 (42 U.S.C. 13212(c)) is amended by
inserting “(1)” before “(2) after (1)”.
(1) by striking “Not” in the subsection heading; and
(2) by striking "not".

SEC. 154. MOBILE TO STATIONARY SOURCE TRADING. Within 90 days after the enactment of this section, the Administrator of the Environmental Protection Agency is directed to commence a review of the Agency's policies regarding the use of mobile to stationary source trading for the purpose of reducing emissions. The Administrator shall examine such policies to determine whether such trading can provide both nonattainment and attainment areas with additional flexibility in adding and maintaining healthy air quality and increasing use of alternative fuel and advanced technology vehicles, thereby reducing United States dependence on foreign oil.

Subtitle F—Other Provisions

SEC. 161. REVIEW OF REGULATIONS TO ELIMINATE BARRIERS TO EMERGING ENERGY TECHNOLOGY. (a) In General. Each Federal agency shall carry out a review of its regulations and standards to determine those that act as a barrier to market entry for emerging energy-efficient technologies, including, but not limited to, fuel cells, combined heat and power, and distributed generation (including small-scale renewable energy systems).

(c) PERIODIC REVIEW. Each agency shall subsequently review its regulations and standards in the manner specified in this section no less frequently than every 5 years, and report their findings to Congress and the President.

SEC. 162. ADVANCED IDLE ELIMINATION SYSTEMS. (a) DEFINITIONS. (1) ADVANCED IDLE ELIMINATION SYSTEM. The term "advanced idle elimination system" means a device or system of devices that is designed to provide to the vehicle the means to shut off the engine (for example, a loading, unloading, or transfer facility) where vehicles (such as trucks, trains, buses, boats, automobiles, and recreational vehicles) are parked and not otherwise engaged, including barriers to idle that are designed to provide idle elimination systems, and whether such credits should be subject to an emissions trading system, and shall revise Agency regulations and guidance as the Administrator deems appropriate.

(b) RECOGNITION OF BENEFITS OF ADVANCED IDLE ELIMINATION SYSTEMS. (i) Within 90 days after the date of the enactment of this section, the Administrator of the Environmental Protection Agency is directed to commence a review of the Agency's policies regarding the use of mobile to stationary source trading for the purpose of reducing emissions. The Administrator shall examine such policies to determine whether such trading can provide both nonattainment and attainment areas with additional flexibility in adding and maintaining healthy air quality and increasing use of alternative fuel and advanced technology vehicles, thereby reducing United States dependence on foreign oil.

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SEC. 162. ADVANCED IDLE ELIMINATION SYSTEMS. (a) DEFINITIONS. (1) ADVANCED IDLE ELIMINATION SYSTEM. The term "advanced idle elimination system" means a device or system of devices that is designed to provide to the vehicle the means to shut off the engine (for example, a loading, unloading, or transfer facility) where vehicles (such as trucks, trains, buses, boats, automobiles, and recreational vehicles) are parked and not otherwise engaged, including barriers to idle that are designed to provide idle elimination systems, and whether such credits should be subject to an emissions trading system, and shall revise Agency regulations and guidance as the Administrator deems appropriate.

(b) RECOGNITION OF BENEFITS OF ADVANCED IDLE ELIMINATION SYSTEMS. (i) Within 90 days after the date of the enactment of this section, the Administrator of the Environmental Protection Agency is directed to commence a review of the Agency's policies regarding the use of mobile to stationary source trading for the purpose of reducing emissions. The Administrator shall examine such policies to determine whether such trading can provide both nonattainment and attainment areas with additional flexibility in adding and maintaining healthy air quality and increasing use of alternative fuel and advanced technology vehicles, thereby reducing United States dependence on foreign oil.

SEC. 163. STUDY OF BENEFITS AND FEASIBILITY OF OIL BYPASS FILTRATION TECHNOLOGY. (a) STUDY. The Secretary of Energy and the Administrator of the Environmental Protection Agency shall jointly conduct a study of the economic feasibility of retrofitting motor vehicle engines. The study shall analyze and quantify the potential benefits of such technology in terms of reduced demand for oil, including the expected benefits of the technology in terms of reduced waste and air pollution. The Secretary and the Administrator shall also examine the feasibility of such technology in the Federal motor vehicle fleet.

(b) REPORT. Not later than 6 months after the enactment of this Act, the Secretary of Energy shall submit to the President and the Congress a report containing the results of the study conducted under subsection (a) to the Committee on Energy and Commerce of the United States House of Representatives and to the Committee on Energy and Natural Resources of the United States Senate.

SEC. 164. GAS FILLS. (a) STUDY. The Secretary of Energy shall conduct a study of the economic feasibility of installing small cogeneration facilities utilizing excess petroleum chemical facilities to provide reduced electricity costs to customers living within 3 miles of the petrochemical facilities. The Secretary shall solicit public comment in preparing the report required under subsection (b).

(b) REPORT. Not later than 18 months after the date of the enactment of this Act, the Secretary of Energy shall submit to the Congress on the results of the study conducted under subsection (a).

SEC. 165. TELECOMMUTING STUDY. (a) STUDY REQUIRED. The Secretary, in consultation with the Commission on Transportation and Telecommunications, and the NTIA, shall conduct a study of the energy conservation implications of the widespread adoption of telecommuting in the United States.

(b) REPORT. Not later than 18 months after the date of the enactment of this Act, the Secretary of Energy shall submit to the President and the Congress a report containing the results of the study conducted under subsection (a).

SEC. 172. CONSIDERATION OF DIF- FERENT AVERAGE FUEL ECONOMY STANDARDS FOR NONPASSANGER AUTOMOBILES. (a) IN GENERAL. The Secretary of Transportation shall, in prescribing average fuel economy standards under section 32902(a) of title 49, United States Code, for automobiles (except passenger automobiles manufactured in model year 2004), consider the potential benefits of—

(1) establishing a weight-based system for automobiles, that is, a system that is based on the inertia weight, curb weight, gross vehicle weight rating, or another appropriate measure of such automobiles; and

(2) prescribing different fuel economy standards for automobiles that are subject to the weight-based system.

(b) SPECIFIC CONSIDERATIONS. In implementing this section the Secretary—

(1) shall consider any recommendations made in the National Academy of Sciences study conducted pursuant to the Department of Transportation and Related Agencies Appropriations Act, 2000 (Public Law 106-398; 114 Stat. 2763 et seq.); and

(2) shall evaluate the merits of any weight-based system in terms of its effects on safety, energy conservation, and competitiveness of and employment in the United States automotive sector, and if a weight-based system is established by the Secretary a manufacturer may make trades between or among the automobiles (except passenger automobiles) manufactured by the manufacturer.

SEC. 173. ALTERNATIVE FUEL AUTOMOBILES. (a) PURPOSES. The purposes of this section are—

(1) to extend the manufacturing incentives for dual fuelled automobiles, as set forth in subsections (b) and (d) of section 32905 of title 49, United States Code, through the 2008 model year; and

(2) to similarly extend the limitation on the maximum average fuel economy required under the average fuel economy standard that applies under this subsection to dual fuelled automobiles, as set forth in subsection (a) of section 32906 of title 49, United States Code.

(b) AMENDMENT. (1) MANUFACTURING INCENTIVES. Section 32905 of title 49, United States Code, is amended as follows:

(2) The Secretary shall, prescribe under paragraph (1) average fuel economy standards for automobiles (except passenger automobiles) manufactured under this subsection to automobiles (except passenger automobiles) manufactured in model year 2002.

(b) AMENDMENT. (2) The Secretary shall prescribe under paragraph (1) average fuel economy standards for automobiles (except passenger automobiles) manufactured under this subsection to automobiles (except passenger automobiles) manufactured in model year 2002.

(1) average fuel economy standard that applies under this subsection to automobiles (except passenger automobiles) manufactured in model year 2002.

(2) The Secretary shall prescribe under paragraph (1) average fuel economy standards for automobiles (except passenger automobiles) manufactured under this subsection to automobiles (except passenger automobiles) manufactured in model year 2002.

(1) average fuel economy standard that applies under this subsection to automobiles (except passenger automobiles) manufactured in model year 2002.


(C) Subsection (f)(1) is amended by striking “model year 2004” and inserting “model year 2008”.

(D) Subsection (g) is amended by striking “Not later than September 30, 2000” and inserting “Not later than September 30, 2004”.

(2) M U X I M U M FUEL ECONOMY INCREASE.—Subsection (a)(1) of section 32906 of title 49, United States Code, is amended by striking “the model years 1993-2004” and inserting “model years 1993-2008”.

(b) Subsection (d) is amended by striking “the model years 2005–2008” and inserting “model years 2009-2012”.

S E C. 3 2 9 . F I E L D S OF THE FEDERAL FLEETS OF AUTOMOBILES. Section 32911 of title 49, United States Code, is amended to read as follows:

“§ 32911. Standards for executive agency automobiles

(a) BASELINE AVERAGE FUEL ECONOMY.—The head of each executive agency shall determine, for all automobiles in the agency’s fleet of automobiles that were leased or bought, by or for the agency, after September 30, 1999:

(i) The term ‘hybrid vehicle’ means a motor vehicle which draws propulsion energy from onboard sources of stored energy which are both

(A) an internal combustion or heat engine using combustible fuel; and

(B) a rechargeable energy storage system.

(b) SUBSECTION (b) OF THE FEDERAL FLEET PETROLEUM-BASED NONALTERNATIVE FUELS. (a) IN GENERAL.—Title III of the Energy Policy Act of 1992 (42 U.S.C. 13212 et seq.) is amended as follows:

(1) by adding at the end thereof the following:

“SEC. 313. CONSERVATION OF PETROLEUM-BASED FUELS BY THE FEDERAL GOVERNMENT FOR LIGHT-DUTY MOTOR VEHICLES.

(a) PURPOSES.—The purposes of this section are to complement and supplement the requirements of section 303 of this Act that Federal fleets, as that term is defined in section 303(b)(3), acquire in the aggregate a minimum percentage of alternative fuel vehicles, to encourage the manufacture and sale of light-duty motor vehicles using alternative fuels, and to reduce the consumption of petroleum products by Federal fleets, as that term is defined in section 303(b)(3).

(b) INCREASE OF AVERAGE FUEL ECONOMY.—The head of an executive agency shall manage the procurement of automobiles for that agency in such a manner that—

(1) not later than September 30, 2003, the average fuel economy of the new automobiles in the agency’s fleet of automobiles is not less than 1 mile per gallon higher than the baseline average fuel economy determined under subsection (a) for that fleet; and

(2) by September 30, 2005, the average fuel economy of the new automobiles in the agency’s fleet of automobiles is not less than 3 miles per gallon higher than the baseline average fuel economy determined under subsection (a) for that fleet.

(c) CALCULATION OF AVERAGE FUEL ECONOMY.—Average fuel economy shall be calculated for the purposes of this section in accordance with guidance which the Secretary of Transportation shall prescribe for the implementation of this section.

(d) DEFINITIONS.—In this section:

(1) The term ‘automobile’ does not include any vehicle designed for combat-related, police, or emergency enforcement work, or emergency rescue work.

(2) The term ‘executive agency’ has the meaning given that term in section 105 of title 5.

(3) The term ‘new automobile’, with respect to the fleet of automobiles of an executive agency, means an automobile that is leased or bought, by or for the agency, after September 30, 1999.”.

S E C. 2 0 5 . H Y B R I D V E H I C L E S A N D A L T E R N A T I V E F U E L S . (a) I N G E N E R A L.—Section 303(b)(1) of the Energy Policy Act of 1992 is amended by adding the following at the end:

(1) The term ‘hybrid vehicle’ means a motor vehicle which draws propulsion energy from onboard sources of stored energy which are both

(A) an internal combustion or heat engine using combustible fuel; and

(B) a rechargeable energy storage system.

(b) DEFINITION.—Section 301 of such Act is amended by striking “and” at the end of paragraph (a) and inserting “; and” and by adding at the end thereof the following:

“(15) The term ‘hybrid vehicle’ means a motor vehicle which draws propulsion energy from onboard sources of stored energy which are both

(A) an internal combustion or heat engine using combustible fuel; and

(B) a rechargeable energy storage system.


(1) by adding at the end thereof the following:

“SEC. 313. CONSERVATION OF PETROLEUM-BASED FUELS BY THE FEDERAL GOVERNMENT FOR LIGHT-DUTY MOTOR VEHICLES.

(a) PURPOSES.—The purposes of this section are to complement and supplement the requirements of section 303 of this Act that Federal fleets, as that term is defined in section 303(b)(3), acquire in the aggregate a minimum percentage of alternative fuel vehicles, to encourage the manufacture and sale of light-duty motor vehicles using alternative fuels, and to reduce the consumption of petroleum products by Federal fleets, as that term is defined in section 303(b)(3).

(b) INCREASE OF AVERAGE FUEL ECONOMY.—The head of an executive agency shall manage the procurement of automobiles for that agency in such a manner that—

(1) not later than September 30, 2003, the average fuel economy of the new automobiles in the agency’s fleet of automobiles is not less than 1 mile per gallon higher than the baseline average fuel economy determined under subsection (a) for that fleet; and

(2) by September 30, 2005, the average fuel economy of the new automobiles in the agency’s fleet of automobiles is not less than 3 miles per gallon higher than the baseline average fuel economy determined under subsection (a) for that fleet.

(c) CALCULATION OF AVERAGE FUEL ECONOMY.—Average fuel economy shall be calculated for the purposes of this section in accordance with guidance which the Secretary of Transportation shall prescribe for the implementation of this section.

(d) DEFINITIONS.—In this section:

(1) The term ‘automobile’ does not include any vehicle designed for combat-related, police, or emergency enforcement work, or emergency rescue work.

(2) The term ‘executive agency’ has the meaning given that term in section 105 of title 5.

(3) The term ‘new automobile’, with respect to the fleet of automobiles of an executive agency, means an automobile that is leased or bought, by or for the agency, after September 30, 1999.”.

(2) by adding at the end thereof the following:

“(15) The term ‘hybrid vehicle’ means a motor vehicle which draws propulsion energy from onboard sources of stored energy which are both

(A) an internal combustion or heat engine using combustible fuel; and

(B) a rechargeable energy storage system.

S E C. 2 0 7 . S T U D Y O F F A S I B I L I T Y A N D E F F E C T S O F R E D U C I N G U S E O F F U E L F O R A U T O M O B I L E S . (a) I N G E N E R A L.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Transportation shall enter into an arrangement with the National Academy of Sciences, and the Academy shall study the feasibility and effects of reducing by model year 2010, by a significant percentage, the use of fuel for automobiles.

(b) REPORT.—The study under this section shall include—

(1) examination of, and recommendation of alternatives to, the policy under current Federal law of establishing Federal fuel economy standards for automobiles and requiring each automobile manufacturer to comply with average fuel economy standards that apply to the automobiles it manufactures;

(2) examination of how automobile manufacturers could contribute toward achieving the standards referred to in subsection (a);

(3) examination of the potential of fuel cell technology in motor vehicles in order to determine the extent to which such technology could contribute to achieving the reduction referred to in subsection (a); and

(4) examination of the effects of the reduction referred to in subsection (a) on—

(A) gasoline supplies;

(B) the automobile industry, including sales of automobiles manufactured in the United States;

(C) motor vehicle safety; and

(D) air quality.

(c) REPORT.—The Secretary shall require the National Academy of Sciences to submit to the Secretary and the Congress a report on the findings, conclusion, and recommendations of the study under this section by not later than 1 year after the date of the enactment of this Act.


(1) by striking “, or each such” and inserting the following:

“c. License Period.—

(1) In General.—Each such; and

(2) by adding at the end the following:

“(2) COMBINED LICENSES.—In the case of a combined construction and operating license issued under section 185 b., the initial duration of the license shall be 185 b. years from the date on which the Commission finds, before operation of the facility, that the acceptance criteria required by section 185 b. are met.”.


(1) by striking “for, or is issued” and all that follows through “702” and inserting “to the Commission, or is issued by the Commission, a license or certificate”; and

(2) by striking “483a.” and inserting “9701”; and

(3) by striking “, of applicants for, or holders of, such licenses or certificates.”.

S E C. 3 0 3 . D E P L E T E D U R A N I U M H E X A F L U O R I D E . Section 1(b) of Public Law 105-204 is amended by striking “fiscal year 2002” and inserting “fiscal year 2000”.

the extent that public disclosure is exempted or prohibited by law. This section shall not apply to a meeting, within the meaning of that term under section 552(a)(2) of title 5, United States Code.

SEC. 305. COOPERATIVE RESEARCH AND DEVELOPMENT AND SPECIAL DEMONSTRATION PROJECTS FOR THE URANIUM MINING INDUSTRY.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $10,000,000 for each of fiscal years 2002, 2003, and 2004 for—

(1) cooperative, cost-shared, agreements between the Department of Energy and domestic uranium producers to identify, test, and develop improved in situ leaching mining technologies, including low-cost environmental restoration technologies that may be applicable to completion of in situ leaching operations; and

(2) funding for competitively selected demonstration projects with domestic uranium producers relating to—

(A) enhanced production with minimal environmental impacts; and

(B) restoration of well fields; and

(c) decommissioning and decontamination activities.

(b) DOMESTIC URANIUM PRODUCER.—For purposes of this subsection, the term “domestic uranium producer” has the meaning given that term in section 101(4) of the Energy Policy Act of 1992 (42 U.S.C. 22660(4)), except that it shall not include any producer that has not produced uranium from domestic reserves on or after July 30, 1998.

SEC. 306. MAINTENANCE OF A VIABLE DOMESTIC URANIUM CONVERSION INDUSTRY.

There are authorized to be appropriated to the Secretary $500,000 for contracting with the Department of Energy for storage converter for the purpose of performing research and development to improve the environmental and economic performance of United States Department of Energy facilities.

SEC. 307. PADUCAH DECOMMISSIONING AND DECOMMISSIONING PLAN.

The Secretary of Energy shall prepare and submit a plan to Congress within 180 days after the date of the enactment of this Act that establishes scope, cost, schedule, sequence of activities, and contracting strategy for—

(1) the decontamination and decommissioning of the Department of Energy’s surplus-plus facilities and buildings at the Paducah Gas Diffusion Plant that have no future anticipated reuse; and

(2) the remediation of Department of Energy Material Storage Areas at the Paducah Gas Diffusion Plant.

Such plan shall inventory all surplus facilities and buildings, and identify and rank health and safety risks associated with such facilities and buildings. Such plan shall inventory all Department of Energy Material Storage Areas, and identify and rank health and safety risks associated with such Department of Energy Material Storage Areas. The Department of Energy shall incorporate these risk factors in designing the sequence and approach to be used in the plan. Such plan shall identify funding requirements that are in addition to the expected outlays included in the Department of Energy’s Environmental Management Plan for the Paducah Gas Diffusion Plant.

SEC. 308. STUDY TO DETERMINE FEASIBILITY OF COMMERCIAL NUCLEAR ENERGY PRODUCTION FACILITIES AT EXISTING DEPARTMENT OF ENERGY SITES.

(a) IN GENERAL.—The Secretary of Energy shall conduct a study to determine the feasibility of developing commercial nuclear energy production facilities at Department of Energy sites in existence on the date of the enactment of this Act, including—

(1) options for how and where nuclear power plants can be developed on existing Department of Energy sites;

(2) estimates of cost savings to the Federal Government that may be realized by locating new nuclear power plants on Federal sites;

(3) the feasibility of incorporating new technologies into nuclear power plants located on Federal sites;

(4) potential improvements in the licensing and safety oversight processes of nuclear power plants located on Federal sites;

(5) an assessment of the effects of nuclear waste management policies and projects as a result of locating nuclear power plants located on Federal sites;

(6) any other factors that the Secretary believes would be relevant in making the determination.

(b) REQUIREMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report describing the results of the study under subsection (a).

SEC. 309. PROHIBITION OF COMMERCIAL SALES OF URANIUM BY THE UNITED STATES.

Section 3112 of the USEC Privatization Act (42 U.S.C. 2297h-10) is amended by adding at the end the following new subsection:

“(g) Prohibition—With the exception of sales pursuant to subsection (b)(2) (42 U.S.C. 2297h-10(b)(2)), notwithstanding any other provision of law, the United States Government shall not transfer any uranium (including natural uranium concentrates, natural uranium hexafluoride, enriched uranium, depleted uranium, or uranium in any other form) through March 23, 2009 (except sales or transfers for use by the Tennessee Valley Authority in relation to the Department of Energy’s HEU or Tritium programs, or any nuclear research reactor sales program, or any depleted uranium hexafluoride to be transferred to a designated Department of Energy contractor in conjunction with the planned construction of the Depleted Uranium Hexafluoride conversion plants in Portsmouth, Ohio, and Paducah, Kentucky, to any natural uranium transferred to the U.S. Enrichment Corporation from the Department of Energy to replace contaminated uranium received from the Department of Energy when the U.S. Corporation was privatized in July, 1998, or for emergency purposes in the event of a disruption in supply to end users in the United States). The energy material storage areas and uranium mines, based on substantial evidence presented to the Secretary, shall not be available for each significant stage of the project works for electricity production, as compared to the fishway initially prescribed by the Secretary.

“(h) Within 1 year after the enactment of this subsection, the Secretary of the Interior or the Secretary of Commerce shall each, by rule, establish a process to expeditiously resolve conflicts arising under this subsection.

(b) ALTERNATIVE FISHWAYS.—Section 18 of the Federal Power Act (16 U.S.C. 811) is amended by—

(1) inserting “(a)” before the first sentence; and

(2) adding at the end the following:

“(b)(1) Whenever the Commission shall require a licensee to construct, maintain, or operate a fishway prescribed by the Secretary of the Interior or the Secretary of Commerce under this section, the licensee or any other party to the proceeding may propose an alternative to such prescription to construct, maintain, or operate a fishway.

“(b)(2) Notwithstanding subsection (a), the Secretary of the Interior or the Secretary of Commerce, as appropriate, shall accept and prescribe, and the Commission shall require, the proposed alternative referred to in paragraph (1), if the Secretary of the appropriate department determines, based on substantial evidence provided by the party proposing such alternative, that the alternative—

“(A) will be no less effective than the fishway initially prescribed by the Secretary; and

“(B) will either—

“(i) cost less to implement, or

“(ii) result in improved operation of the project works for electricity production, as compared to the fishway initially prescribed by the Secretary.

“(c) Within 1 year after the enactment of this subsection, the Secretary of the Interior and the Secretary of Commerce shall each, by rule, establish a process to expeditiously resolve conflicts arising under this subsection.

SEC. 402. FERC DATA ON HYDROELECTRIC LICENSING.

(a) DATA COLLECTION PROCEDURES.—The Federal Energy Regulatory Commission shall revise its procedures regarding the collection of data in connection with the Commission’s consideration of hydroelectric license applications under the Federal Power Act. Such revised data collection procedures shall be designed to provide the Commission with complete and accurate information concerning the time and costs involved in the licensing process. Such data shall be available for each significant stage in the licensing process and shall be designed to identify projects with similar characteristics so that analyses can be made of the time and costs involved in licensing proceedings based upon the different characteristics of those proceeding.

(b) REPORTS.—Within 6 months after the date of the enactment of this Act, the Commission shall notify the Secretary on En- ergy and Natural Resources of the United States Senate and the Committee on Energy and Natural Resources of the United States Senate of the progress made under this section. Within 1 year after such date of the enactment, the Commission shall submit a report...
to such Committees specifying the measures taken by the Commission pursuant to subsection (a).

TITLE VI

SEC. 501. TANK DRAINING DURING TRANSITION TO SUMMERTIME RFG.

Not later than 60 days after the enactment of this Act, the Administrator of the Environmental Protection Agency shall commence a rulemaking to determine whether modifications to the regulations set forth in 40 CFR Section 80.78 and any associated regulations which pertain to the transition to high ozone season reformulated gasoline are necessary to ensure that the transition to high ozone season reformulated gasoline is conducted in a manner that minimizes disruptions to the general availability and affordability of gasoline, and maximizes flexibility with regard to the draining and inventory management of gasoline storage tanks located at refineries, terminals, wholesale and retail outlets, consistent with the goals of the Clean Air Act. The Administrator shall propose and take final action in such rulemaking to ensure that any modifications are effective and implemented at least 60 days prior to the beginning of the high ozone season for the year 2002.

SEC. 502. GASOLINE BLENDSTOCK REQUIREMENTS.

Not later than 60 days after the enactment of this Act, the Administrator of the Environmental Protection Agency shall commence a rulemaking to determine whether modifications to the product transfer documentation, accounting, compliance calculation, and other requirements contained in the regulations of the Administrator set forth in section 80.102 of title 40 of the Code of Federal Regulations relating to gasoline blendstocks are necessary to facilitate the movement of gasoline and gasoline feedstocks among different regions throughout the country and to improve the ability of petroleum refiners and importers to respond to regional gasoline price changes and prevent unreasonable short-term price increases. The Administrator shall take into consideration the extent to which such requirements have been, or will be, rendered unnecessary or inefficient by reason of subsequent environmental safeguards that were not in effect at the time the regulations in section 80.102 of title 40 of the Code of Federal Regulations were promulgated. The Administrator shall propose and take final action in such rulemaking to ensure that any modifications are effective and implemented at least 90 days prior to the beginning of the high ozone season for the year 2002.

SEC. 503. BOUTIQUE FUELS.

(a) Joinder Study.—The Administrator of the Environmental Protection Agency and the Secretary of Energy shall jointly conduct a study of Federal, State, and local requirements regarding motor vehicle fuels, including requirements relating to reformulated gasoline, volatility (Reid Vapor Pressure), diesel fuel, and other requirements that vary from State to State, region to region, or locality to locality. The study shall analyze—

(1) the effect of the variety of such requirements on the price of motor vehicle fuels to the consumer;

(2) the availability and affordability of motor vehicle fuels in different States and localities;

(3) the effect of Federal, State, and local regulations, including multiple fuel requirements on domestic refineries and the fuel distribution system;

(4) the effect of such requirements on local, regional, and national air quality requirements; and

(5) the effect of such requirements on vehicle emissions;

(6) the feasibility of developing national or regional fuel specifications for the contiguous United States that would—

(A) enhance flexibility in the fuel distribution infrastructure and improve fuel fungibility;

(B) reduce price volatility and costs to consumers and producers;

(C) satisfy national, and national air quality requirements and goals; and

(D) provide increased gasoline market liquidity;

(7) the extent to which the Environmental Protection Agency’s Tier II requirements for conventional gasoline may achieve in future years the same or similar air quality results as renewable fuel standards and States, Territories, or possession of the United States or the District of Columbia, or a political subdivision thereof, or an Indian tribal government or subdivision thereof; and

(8) the feasibility of providing incentives to promote cleaner burning fuel.

(b) REPORT.—By December 31, 2001, the Administrator of the Environmental Protection Agency and the Secretary of Energy shall submit a report to the Congress containing the results of the study conducted under subsection (a). Such report shall contain recommendations for legislative and administrative action to simplify the national distribution system for motor vehicle fuel, make such system more cost-effective, cost-avoidance, and increase the availability of motor vehicle fuel to the end user while meeting the requirements of the Clean Air Act. Such recommendations shall take into account the need to provide lead time for refinery and fuel distribution system modifications necessary to assure adequate fuel supply for all States.

SEC. 504. FUNDING FOR MTBE CONTAMINATION.

Notwithstanding any other provision of law, there is authorized to be appropriated to the Administrator of the Environmental Protection Agency for fiscal year 2002 up to $200,000,000 to be used for taking such action, limited to assessment, corrective action, inspection of underground storage tank systems, and groundwater monitoring in connection with MTBE contamination, as the Administrator deems necessary to protect human health and the environment from releases of methyl tertiary butyl ether (MTBE) from underground storage tanks.

TITLE VII—RENEWABLE ENERGY

SEC. 601. ASSESSMENT OF RENEWABLE ENERGY RESOURCES.

(a) RESOURCE ASSESSMENT.—Not later than 1 year after the date of the enactment of this Act, and each year thereafter, the Secretary of Energy shall publish an assessment by the National Laboratories of all renewable energy resources available within the United States.

(b) CONTENTS OF REPORT.—The report published under subsection (a) shall contain each of the following:

(1) A detailed inventory describing the available amount and characteristics of solar, wind, biomass, geothermal, hydroelectric and other renewable energy sources.

(2) Such other information as the Secretary of Energy believes would be useful in developing such renewable energy resources, including descriptions of surrounding terrain, population and load centers, energy infrastructure, location of energy and water resources, and available estimates of the costs needed to develop each resource.

SEC. 602. INVENTORIED ENERGY PRODUCTION INCENTIVE.

Section 1212 of the Energy Policy Act of 1992 (42 U.S.C. 13217) is amended as follows:

(1) by striking “(a)(2)”; and

(2) by inserting “and all that follows through “Secretary shall establish.” and inserting “, The Secretary shall establish other procedures necessary for efficient administration of the program. The Secretary shall not establish any criteria or procedures that have the effect of designating higher or lower priority for eligibility or allocation of appropriated funds on the basis of the energy source proposed.”

(b) REPORT.—

(A) by striking “a State or any political area” and all that follows through “nonprofit elec-

tric cooperative” and inserting “an elec-

crateries generating cooperative exempt from tax-

tion under section 501(c)(12) or section 1381(a)(2)(C) of the Internal Revenue Code of 1986, a public utility described in section 115(a) of such Code, a State, a Territory or possession of the United States or the District of Columbia, or a political sub-

division thereof, or an Indian tribal govern-

ment or subdivision thereof.”; and

(B) by inserting “landfill gas,” after “wind, biomass.”.

(c) EFFECTIVE DATE.—Subsection (b) shall apply to years after the date of the enactment of this Act and each year thereafter.

SEC. 603. STUDY OF ETHANOL FROM SOLID WASTE GUARANTEE PROGRAM.

The Secretary of Energy shall conduct a study of the feasibility of providing guarantees for loans by private banking and investment institutions for facilities for the processing and conversion of municipal solid waste and sewage sludge into fuel ethanol and other commodity renewable fuels not later than 90 days after the date of the enactment of this Act to be reported to the Congress.

SEC. 604. STUDY OF RENEWABLE FUEL CONTENT.

(a) STUDY.—The Administrator of the Environmental Protection Agency and the Secretary of Energy shall jointly conduct a study of the feasibility of developing a requirement that motor vehicle fuel sold or introduced into commerce in the United States in any calendar year 2002 or any calendar year thereafter by a refiner, blender, or importer shall, on a 4-month average basis, be comprised of a quantity of renewable fuel, meaning fuel produced from a renewable energy source, not less than 2.1 billion gallons. The report of the study shall be submitted to Congress not later than 6 months after the date of the enactment of this Act, and the Administrator and the Secretary shall transmit to the Congress a report on the results of the study conducted under this section.

TITLE VIII—Pipelines

SEC. 701. PROHIBITION ON CERTAIN PIPELINE ROUTES.

No license, permit, lease, right-of-way, authorization or other approval required under...
Federal law for the construction of any pipeline to transport natural gas from lands within the Prudhoe Bay oil and gas lease area may be granted for any pipeline that follows a route that—

(1) the submerged lands (as defined by the Submerged Lands Act) beneath, or the adjacent shoreline of, the Beaufort Sea; and

(2) enters Canada at any point north of 68 degrees North latitude.

SEC. 702. HISTORIC PIPELINES.

Section 7 of the Natural Gas Act (15 U.S.C. 717(f)(5)) shall be read as if it included the following new subsection:

“(1) Notwithstanding the National Historic Preservation Act, a transportation facility shall be considered for inclusion on the National Register of Historic Places unless—

“(1) the Commission has permitted the abandonment of the transportation facility pursuant to subsection (b) of this section; or

“(2) the owner of the facility has given written consent to such eligibility.

Any transportation facility deemed eligible for inclusion in the National Register of Historic Places prior to the date of the enactment of this subsection shall no longer be eligible unless the owner of the facility gives written consent to such eligibility.

TITe VIII—MISCELLANEOUS PROVISIONS

SEC. 801. WASTE REDUCTION AND USE OF ALTERNATIVES.

(a) GRANT AUTHORITY.—The Secretary of Energy shall make a grant to a qualified institution to examine and develop the feasibility of burning post-consumer carpet in cement kilns as an alternative energy source. The purposes of the grant shall include determining—

(1) how post-consumer carpet can be burned without disrupting kiln operations;

(2) the extent to which overall kiln emissions may be reduced; and

(3) how this process provides benefits to both cement kiln operations and carpet suppliers.

(b) QUALIFIED INSTITUTION.—For the purposes of subsection (a), a qualified institution is a research-intensive institution of higher education or a publicly funded organization in the fields of fiber recycling and logistical modeling of carpet waste collection and preparation.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Energy for carrying out this section $257,000 for fiscal year 2002, to remain available until expended.

SEC. 802. ANNUAL REPORT ON UNITED STATES ENERGY INDEPENDENCE.

(a) REPORT REQUIRED.—The Secretary of Energy, in consultation with the heads of other relevant Federal agencies, shall include in each report under section 801(c) of the Department of Energy Organization Act a section which evaluates the progress the United States has made toward obtaining the goal of not more than 50 percent dependence on foreign oil by the year 2010.

(b) ALTERNATIVES.—The information required under this section to be included in the reports under section 801(c) of the Department of Energy Organization Act shall include a specification of what legislative or administrative actions must be implemented to meet this goal and set forth a range of options and alternatives with a cost-benefit analysis for each option or alternative together with an estimate of the contribution each option or alternative could make to reduce consumption of foreign oil imports. The Secretary shall solicit information from the public and request information from the Energy Information Agency and other agencies to develop the information required under this section. The information shall indicate, in detail, options and alternatives to—

(1) increase the use of renewable domestic energy sources, including conventional and nonconventional sources;

(2) conserve energy resources, including improving efficiencies and decreasing consumption; and

(3) increase domestic production and use of oil, natural gas, nuclear, and coal, including any actions necessary to provide access to and transportation of, these energy resources.

SEC. 803. STUDY OF AIRCRAFT EMISSIONS.

The Secretary of Transportation and the Administrator of the Environmental Protection Agency shall jointly commence a study within the framework of section 102 of the Energy Policy Act of 1992 to investigate the impact of aircraft emissions on air quality in areas that are considered to be in nonattainment for the national ambient air quality standard for ozone. As part of this study, the Secretary and the Administrator shall focus on the impact of emissions by aircraft idling at airports and on the contribution of such emissions as a percentage of total emissions in the nonattainment area. Within 180 days of the commencement of the study, the Secretary and the Administrator shall submit a report to the Committees on Energy and Commerce and Transportation and Infrastructure of the United States Senate and Representatives and to the Committees on Environment and Public Works and Commerce, Science, and Transportation of the United States House of Representatives and for inclusion on the National Register of Historic Places unless

(1) the submerged lands (as defined by the Submerged Lands Act) beneath, or the adjacent shoreline of, the Beaufort Sea; and

(2) enters Canada at any point north of 68 degrees North latitude.

DIVISION B

SEC. 2001. SHORT TITLE.

This division may be cited as the “Comprehensive Energy Research and Technology Act of 2001”.

SEC. 2002. FINDINGS.

The Congress finds that—

(1) the Nation’s prosperity and way of life are sustained by energy use;

(2) the growing imbalance between domestic energy production and consumption means that the Nation is becoming increasingly inefficient, which has the potential to undermine the Nation’s economy, standard of living, and national security;

(3) energy conservation and energy efficiency help maximize the use of available energy resources, reduce energy shortages, lower the Nation’s reliance on energy imports, mitigate the impacts of high energy prices, and help protect the environment and public health;

(4) development of a balanced portfolio of domestic energy supplies will ensure that future generations of Americans will have access to the energy they need;

(5) energy technologies, renewable and alternative energy technologies, and advanced energy systems technologies will help diversify the Nation’s energy portfolio with few adverse environmental impacts and are vital to delivering clean energy to fuel the Nation’s economic growth;

(6) development of reliable, affordable, and environmentally sustainable energy technologies, renewable and alternative energy technologies, and advanced energy systems technologies will help diversify the Nation’s energy portfolio with few adverse environmental impacts and are vital to delivering clean energy to fuel the Nation’s economic growth;

(7) Federal funding should focus on those programs, projects, and activities that are long-term, high-risk, noncommercial, and well-managed, and that provide the potential for major scientific and technological advances; and

(8) public-private partnerships should be encouraged to leverage scarce taxpayer dollars.

SEC. 2003. PURPOSES.

The purposes of this division are to—

(1) protect and strengthen the Nation’s economy, standard of living, and national security by reducing dependence on imported energy;

(2) meet future needs for energy services at the lowest total cost to the Nation, including environmental costs, by giving balanced and comprehensive consideration to technologies that improve the efficiency of energy end uses and that enhance energy supply;

(3) reduce the air, water, and other environmental impacts (including emissions of greenhouse gases) of energy production, distribution, transportation, and use through the development of environmentally sustainable energy systems;

(4) consider the comparative environmental impacts of energy production systems produced by specific programs, projects, or activities;

(5) maintain the technological competitiveness of the United States to stimulate economic growth through the development of advanced energy systems and technologies;

(6) foster international cooperation by developing international markets for domestically produced sustainable energy technologies, and by transferring environmentally sound, advanced energy systems and technologies to developing countries to promote sustainable development;

(7) provide sufficient funding of programs, projects, and activities that are performance-based and modeled as public-private partnerships, as appropriate; and

(8) enhance the contribution of a given program, project, or activity to fundamental scientific knowledge.

SEC. 2004. GOALS.

(a) IN GENERAL.—Subject to subsection (b), in order to achieve the purposes of this division under section 2003, the Secretary should conduct a balanced energy research, development, demonstration, and commercial application portfolio of projects by the following goals to meet the purposes of this division under section 2003.

(1) ENERGY CONSERVATION AND ENERGY EFFICIENCY

(A) For the Building Technology, State and Community Sector, the program should develop technologies, housing components, designs, and production methods that will, by 2010—

(i) reduce the monthly energy cost of new housing by 20 percent, compared to the cost as of the date of the enactment of this Act; and

(ii) cut the environmental impact and energy use of new housing by 50 percent, compared to the impact and use as of the date of the enactment of this Act; and

(B) For the Industry Sector, the program should, in cooperation with the affected industries, improve the energy intensity of the manufacturing and energy-consuming industries by at least 25 percent by 2010, compared to the energy intensity as of the date of the enactment of this Act.

(C) For Power Technologies, the program should, in cooperation with the affected industries—

(i) reduce the monthly energy cost of new housing by 20 percent, compared to the cost as of the date of the enactment of this Act; and

(D) For the Transportation Sector, the program should, in cooperation with the affected industries, improve the energy intensity of the transportation sector by at least 25 percent by 2010, compared to the energy intensity as of the date of the enactment of this Act.

(b) SPECIFIC METRICS.—In carrying out the programs, projects, and activities mandated under this division, the Secretary should—

(1) implement specific metrics, goals, and time frames for measuring progress, and report to the Committees on Energy and Commerce and Transportation and Infrastructure of the United States Senate and Representatives and to the Committees on Environment and Public Works and Commerce, Science, and Transportation of the United States House of Representatives and to the United States Congress on the status and impact of the implementation of each program, project, or activity.

(c) PROGRAMS, PROJECTS, AND ACTIVITIES.—The Secretary shall—

(1) for Power Technologies, the program should, in cooperation with the affected industries, improve the energy intensity of the manufacturing and energy-consuming industries by at least 25 percent by 2010, compared to the energy intensity as of the date of the enactment of this Act.

(d) ALTERNATIVES.—The Secretary should—

(1) for Power Technologies, the program should, in cooperation with the affected industries, improve the energy intensity of the manufacturing and energy-consuming industries by at least 25 percent by 2010, compared to the energy intensity as of the date of the enactment of this Act.

(e) NONCONVENTIONAL SOURCES.—The Secretary should—

(1) for Power Technologies, the program should, in cooperation with the affected industries, improve the energy intensity of the manufacturing and energy-consuming industries by at least 25 percent by 2010, compared to the energy intensity as of the date of the enactment of this Act.

(f) PARTNERSHIPS.—The Secretary shall—

(1) for Power Technologies, the program should, in cooperation with the affected industries, improve the energy intensity of the manufacturing and energy-consuming industries by at least 25 percent by 2010, compared to the energy intensity as of the date of the enactment of this Act.
(i) develop a microturbine (40 to 300 kilowatt) that is more than 40 percent more efficient by 2006, and more than 50 percent more efficient by 2010, compared to the efficiency as of the date of the enactment of this Act; and

(ii) develop advanced materials for combustion systems that reduce emissions of nitrogen oxide by 50 percent while increasing efficiency 5 to 10 percent by 2007, compared to such emissions as of the date of the enactment of this Act.

(3) DISTRIBUTION. In cooperation with affected industries—

(A) For the Electric Power Generation Sector, the program should—

(i) develop a production prototype passenger automobile that has fuel economy equivalent to 80 miles per gallon of gasoline by 2004;

(ii) develop class 7 and 8 heavy duty trucks and buses with ultra low emissions and the ability to use an alternative fuel that has an average fuel economy equivalent to—

10 miles per gallon of gasoline by 2007; and

13 miles per gallon of gasoline by 2010;

(iii) develop a production prototype of a passenger automobile with zero equivalent emissions that has an average fuel economy of 100 miles per gallon of gasoline by 2010; and

(iv) improve, by 2010, the average fuel economy of trucks—

(I) in classes 1 and 2 by 300 percent; and

(II) in classes 3 through 8 by 200 percent, compared to the average fuel economy as of the date of the enactment of this Act.

(2) RENEWABLE ENERGY—

(A) For Hydrogen Research, to carry out the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990, as amended by subtitle A of title II of this division.

(B) For bioenergy—

(i) the program should reduce the cost of bioenergy relative to other energy sources to enable the United States to triple bioenergy use by 2010.

(ii) for biopower systems, the program should reduce the cost of such systems to enable commercialization of integrated power-generating technologies that employ gas turbines and fuel cells integrated with bioenergy gasifiers within 5 years after the date of the enactment of this Act.

(iii) for biofuels, the program should accelerate research, development, and demonstration of advanced enzymatic hydrolysis technology for making ethanol from cellulose feedstock, with the goal that between 2010 and 2015 ethanol produced from energy crops should be fully competitive in terms of price with gasoline as a neat fuel, in either internal combustion engines or fuel cell vehicles.

(C) For Geothermal Technology Development, the program should focus on advanced concepts for the long term. The first priority should be high-grade enhanced geothermal systems technology, including sites in lower grade areas to demonstrate the benefits of reservoir concepts to different conditions.

(D) For Hydropower, the program should provide a new generation of turbine technologies that will increase generating capacity and will be less damaging to fish and aquatic ecosystems.

(E) For Concentrating Solar Power, the program should strengthen ongoing research, development, and demonstration combining high-temperature solar thermal power cycles, with the goal of making solar-only power (including baseline solar power) widely competitive with fossil fuel power by 2015. The program should limit or halt its research and development on power-tower and trough solar thermal cycles, but further refinements to these concepts will not further their deployment, and should assess the market prospects for solar dish/engine technologies to determine whether continued research and development is warranted.

(F) For Photovoltaic Energy Systems, the program should pursue research, development, and demonstration to increase the efficiency of thin film modules from the current 7 percent to 11 percent in multi-million watt production; reduce the direct manufacturing cost of photovoltaic modules by 30 percent from the current $2.50 per watt to $1.75 per watt by 2005; and establish greater than a 20-year lifetime of photovoltaic systems by improving the reliability and lifetime of balance-of-system components and reducing recurring cost by 40 percent. The program's top priority should be the development of sound manufacturing technologies for thin-film modules, and the program should make a concerted effort to integrate fundamental research and basic engineering research.

(G) For Solar Building Technology Research, the program should complete research and development on new polymers and manufacturing processes to reduce the cost of solar water heating by 50 percent by 2004, compared to the cost as of the date of the enactment of this Act.

(H) For Wind Energy Systems, the program should reduce the cost of wind energy to three cents per kilowatt-hour at Class 6 (15 miles-per-hour annual average) wind sites by 2004, and to one cent per kilowatt-hour at Class 4 (13 miles-per-hour annual average) wind sites by 2015, and further if required so that wind power can be widely competitive with fossil-fuel-based electricity in a restructured electric industry. Program research on advanced wind turbine technology should focus on turbulent flow studies, durable materials to extend turbine life, blade efficiency, and higher efficiency operation in low quality wind regimes.

(I) For Electric Energy Systems and Storage, in coordination with Superconducting Research and Development, Energy Storage Systems, and Transmission Reliability, the program should develop high capacity, low maintenance, power-on-demand lines and generators, highly reliable energy storage systems, and distributed generating systems to accommodate multiple types of energy sources under common interconnect standards.

(J) For the International Renewable Energy and Renewable Energy Production Incentive Provisions of the Energy Policy Act, the support program should encourage the commercial application of renewable energy technologies by developed and developing countries. The program should support research, development, and demonstration of international energy sources under common interconnect standards.

(K) For Nuclear Energy—

(A) For advanced nuclear research and engineering, the program should carry out the provisions of subtitle A of title III of this division.

(B) For fuel cycle research, development, and demonstration, the program should carry out the provisions of subtitle B of title III of this division.

(C) For the Nuclear Energy Research Initiative, the program should accomplish the objectives of section 2341(b) of this Act.

(D) For the Nuclear Energy Plant Optimization Initiative, the program should accomplish the objectives of section 2342(b) of this Act.

(E) For Nuclear Energy Technologies, the program should carry out the provisions of section 2343 of this Act.

(F) For Advanced Radioisotope Power Systems, the program should carry out the provisions of section 2344 of this Act.

(G) For the Nuclear Energy Plant Optimization Initiative, the program should carry out the provisions of section 2344(b) of this Act.

(H) For Advanced Radioisotope Power Systems, the program should carry out the provisions of section 2344(b) of this Act.

(I) For advanced radioisotope power systems, the program should carry out the provisions of section 2344(b) of this Act.

(J) For the Nuclear Energy Plant Optimization Initiative, the program should carry out the provisions of section 2344(b) of this Act.

(K) For Nuclear Energy Technologies, the program should carry out the provisions of section 2343 of this Act.

(L) For Advanced Radioisotope Power Systems, the program should carry out the provisions of section 2344 of this Act.

(M) For the Nuclear Energy Plant Optimization Initiative, the program should carry out the provisions of section 2344(b) of this Act.

(N) For advanced radioisotope power systems, the program should carry out the provisions of section 2344(b) of this Act.

(O) For Nuclear Energy Technologies, the program should carry out the provisions of section 2343 of this Act.

(P) For Advanced Radioisotope Power Systems, the program should carry out the provisions of section 2344 of this Act.

(Q) For the Nuclear Energy Plant Optimization Initiative, the program should carry out the provisions of section 2344(b) of this Act.

(R) For advanced radioisotope power systems, the program should carry out the provisions of section 2344(b) of this Act.

(S) For Nuclear Energy Technologies, the program should carry out the provisions of section 2343 of this Act.

(T) For Advanced Radioisotope Power Systems, the program should carry out the provisions of section 2344 of this Act.

(U) For the Nuclear Energy Plant Optimization Initiative, the program should carry out the provisions of section 2344(b) of this Act.

(V) For advanced radioisotope power systems, the program should carry out the provisions of section 2344(b) of this Act.

(W) For Nuclear Energy Technologies, the program should carry out the provisions of section 2343 of this Act.
goals under subsection (b), the Secretary shall consult with the private sector, institutions of higher learning, national laboratories, environmental organizations, professional organizations, and any other persons as the Secretary considers appropriate.

(d) SCHEDULE.—The Secretary shall—

(1) issue and publish in the Federal Register for public comment a set of draft measurable cost and performance-based goals for the programs authorized by this division for public comment;

(2) in the case of a program established before the date of the enactment of this Act, not later than 120 days after the date of the enactment of this Act; and

(3) in the case of a program not established before the date of the enactment of this Act, not later than 120 days after the date of establishment of the program;

(2) not later than 60 days after the date of publication under paragraph (1), after taking into consideration any public comments received, transmit to the Congress and publish in the Federal Register the final measurable cost and performance-based goals; and

(3) update all such cost and performance-based goals on a biennial basis.

SEC. 2005. DEFINITIONS.

For purposes of this division, except as otherwise provided—

(1) the term “Administrator” means the Administrator of the Environmental Protection Agency;

(2) the term “appropriate congressional committees” means—

(A) the Committee on Science and the Committee on Appropriations of the House of Representatives;

(B) the Committee on Energy and Natural Resources and the Committee on Appropriations of the Senate;

(3) the term “Department” means the Department of Energy; and

(4) the term “Secretary” means the Secretary of Energy.

SEC. 2006. AUTHORIZATIONS.

Authorizations of appropriations under this division are for environmental research and development, scientific and energy research, development, demonstration, and commercial application of energy technology programs, projects, and activities.

SEC. 2007. BALANCE OF FUNDING PRIORITIES.

(a) SENSE OF CONGRESS.—It is the sense of the Congress that the balance of funding of the various programs authorized by titles I through IV of this division should remain in the same proportion to each other as provided in this division, regardless of the total amount of funding made available for those programs.

(b) REPORT TO CONGRESS.—If for fiscal years 2002, 2003, or 2004 the amounts appropriated in general appropriations Acts for the programs authorized by titles I through IV of this division are not in the same proportion to one another as are the authorizations for such programs in this division, the Secretary and the Administrator shall, within 60 days after the date of the enactment of the last general appropriations Act appropriating amounts for such programs, transmit to the appropriate congressional committees a report describing the programs, projects, and activities that would have been funded if the proportions provided for in this division had been maintained in the appropriations. The amount appropriated for the program receiving the highest percentage of its authorized funding for a fiscal year shall be used as the baseline for the proportional deficiencies of appropriations for other programs in that fiscal year.

SEC. 2101. PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a competitive grant program to provide not more than 15 grants to State governments, local governments, or metropolitan transportation authorities to carry out a project or projects for the purposes described in subsection (b).

(b) GRANT PURPOSES.—Grants under this section may be used for the following purposes:

(1) The acquisition of alternative fuel vehicles, including—

(A) passenger vehicles;

(B) buses used for public transportation or school transportation from and from schools;

(C) delivery vehicles for goods or services;

(D) ground support vehicles at public airports, including vehicles to carry baggage or push airplanes away from terminal gates; and

(E) motorized two-wheel bicycles, scooters, or other vehicles for use by law enforcement personnel or State or local government or metropolitan transportation authority employees.

(2) The acquisition of ultra-low sulfur diesel vehicles.

(3) Infrastructure necessary to directly support an alternative fuel vehicle project under the grant, including fueling and other support equipment.

(4) Operation and maintenance of vehicles, infrastructure, and equipment acquired as part of a project funded by the grant.

(c) APPLICATIONS.—

(1) REQUIREMENTS.—The Secretary shall require that applications be submitted by the head of a State or local government or a metropolitan transportation authority, or any combination thereof, and shall include—

(A) at least one project to enable passengers or goods to be transported directly from one alternative fuel vehicle or ultra-low sulfur diesel vehicle to another in a linked transportation system;

(B) a description of the projects proposed in the application, including how they meet the requirements of this subtitle;

(C) an estimate of the ridership or degree of use of the projects proposed in the application;

(D) an estimate of the air pollution emissions reduced and funds saved as a result of the projects proposed in the application, and a plan to collect and disseminate environmental data, related to the projects to be funded under the grant, over the life of the projects;

(E) a description of how the projects proposed in the application will be sustainable without Federal assistance after the completion of the term of the grant;

(F) a complete description of the costs of each project proposed in the application, including acquisition, construction, operation, and maintenance costs over the expected life of the project;

(G) a description of which costs of the projects proposed in the application will be supported by Federal assistance under this subtitle; and

(H) documentation to the satisfaction of the Secretary that diesel fuel containing sulfur at not more than 15 parts per million is available for carrying out the projects, and a commitment by the applicant to use such fuel in carrying out the projects.

(2) PARTNERS.—An applicant under paragraph (1) may carry out projects under the pilot program in partnership with public and private entities.

(d) SELECTION CRITERIA.—In evaluating applications under the pilot program, the Secretary shall consider each applicant’s previous experience with similar projects and shall give priority consideration to applications that—

(1) are most likely to maximize protection of the environment;

(2) demonstrate the greatest commitment on the part of the applicant to ensure funding of the projects and the greatest likelihood that each project proposed in the application will be maintained or expanded after Federal assistance under this subtitle is completed; and

(3) exceed the minimum requirements of subsection (c)(1)(A).

(e) PILOT PROJECT REQUIREMENTS.—

(1) MAXIMUM AMOUNT.—The Secretary shall not provide more than $20,000,000 in Federal assistance under the pilot program to any applicant.

(2) COST SHARING.—The Secretary shall not provide more than 50 percent of the cost, incurred during the period of the grant, of any project under the pilot program.

(3) REPORT.—The Secretary shall not fund any applicant under the pilot program for more than 5 years.
and knowledge gained by participants in the pilot program; and
(3) a description of the projects to be funded; and
(4) the Secretary to ensure that the information made available under this section for the acquisition of ultra-low sulfur diesel vehicles.

SEC. 2104. REPORTS TO CONGRESS.
(a) Requirement.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall transmit to the appropriate congressional committees a report containing:
(1) an identification of the grant recipients and a description of the projects to be funded;
(2) an identification of other applicants that submitted applications for the pilot program; and
(3) a description of the mechanisms used by the Secretary to ensure that the information and knowledge gained by participants in the pilot program are transferred among the pilot program participants and to other interested parties, including other applicants that submitted applications.
(b) Evaluation.—Not later than 3 years after the date of the enactment of this Act, and every 2 years after the date of the initial report, the Secretary shall transmit to the appropriate congressional committees a report containing an evaluation of the effectiveness of the program, including:
(1) system integration tools (including storage equipment, and software needed to integrate power from renewable sources, such as solar or re-newable power sources; and
(2) technology gaps and barriers (including barriers to efficient connection with the power grid that may affect the use of distributed power hybrid systems.
(c) Elements.—The strategy shall provide for development:
(1) system integration tools (including databases, computer models, software, sensors, and controls) needed to plan, design, build, and operate distributed power hybrid systems for maximum benefits;
(2) tests of distributed power hybrid systems, power parks, and microgrids, including field tests and cost-shared demonstrations with industry;
(3) design tools to characterize the benefits of distributed power hybrid systems for consumers, to reduce testing needs, to speed commercialization, and to generate data characterizing grid operations, including interconnection requirements;
(4) precision resource assessment tools to map local resources for distributed power hybrid systems; and
(5) a comprehensive research, development, demonstration, and commercialization program to ensure the reliability, efficiency, and environmental integrity of distributed energy resources, focused on filling gaps in new technologies identified under subsection (a)(2), which may include:
(A) integration of a wide variety of advanced technologies into distributed power hybrid systems;
(B) energy storage devices;
(C) renewable energy technologies; and
(D) interconnection standards, protocols, and equipment; and
(E) ancillary equipment for dispatch and control.

SEC. 2125. MICRO-COGENERATION ENERGY TECHNOLOGY.
(a) In general.—The Secretary shall make competitive, merit-based grants to consortia of private sector entities for the development of micro-cogeneration energy technology. The consortia shall explore the creation of small-scale combined heat and power through the use of residential heating appliances. There are authorized to be appropriated to the Secretary $20,000,000 to carry out this section, to remain available until expended.

SEC. 2126. PROGRAM PLAN.
Within 4 months after the date of the enactment of this Act, the Secretary, in consultation with other appropriate Federal agencies, shall transmit to the Congress a 5-year program plan to guide activities under this subtitle. In preparing the program plan, the Secretary shall consult with appropriate representatives of the distributed energy resources, power transmission, and high power density industries to prioritize appropriate program areas. The Secretary shall also seek the advice of utilities, energy service providers, manufacturers, institutions of higher education, appropriate State and local agencies, environmental organizations, professional and technical societies, and any other persons the Secretary considers appropriate.

SEC. 2127. REPORT.
Two years after date of the enactment of this Act and at 2-year intervals thereafter, the Secretary, jointly with other appropriate Federal agencies, shall transmit a report to Congress describing the progress made to achieve the purposes of this subtitle.

SEC. 2128. VOLUNTARY CONSENSUS STANDARDS.
(a) In general.—The Secretary shall cooperate with appropriate, voluntary standards-developing organizations and public and private interests to develop and coordinate model voluntary consensus standards for micro-cogeneration energy technology. The Secretary is authorized to be appropriated to the Secretary $2,500,000 to carry out this section, to remain available until expended.
Standards and Technology, shall work with the Institute of Electrical and Electronic Engineers and other standards development organizations toward the development of voluntary standards for electric vehicle and energy systems for use in manufacturing and using equipment and systems for connection with electric distribution systems, for obtaining information or providing electricity to, such systems.

Subtitle C—Secondary Electric Vehicle Battery Use

SEC. 2131. DEFINITIONS.

For purposes of this subtitle, the term—

(1) ‘‘battery’’ means an energy storage device that previously has been used to provide motive power in a vehicle powered in whole or in part by electricity; and

(2) ‘‘energy storage system’’ means equipment located at the location where the batteries will be used that is necessary to enable the use of the energy stored in the batteries.

SEC. 2132. ESTABLISHMENT OF SECONDARY ELECTRIC VEHICLE BATTERY USE PROGRAM

(a) PROGRAM.—The Secretary shall establish and conduct a research, development, and demonstration program for the secondary use of batteries where the original use of such batteries was in transportation applications. Such program shall be—

(1) designed to demonstrate the use of batteries in electric utility and commercial power storage and power quality;

(2) structured to evaluate the performance, including longevity of useful service life and costs, of such batteries in field operations, and evaluate the necessary supporting infrastructure, including disposal and reuse of batteries; and

(3) coordinated with ongoing secondary battery use programs underway at the national laboratories and in industry.

(b) SOLICITATION.—(1) Not later than 6 months after the date of the enactment of this Act, the Secretary shall solicit proposals to demonstrate the secondary use of batteries and associated equipment, including utility and commercial power storage and power quality;

(2) structured to evaluate the performance, including longevity of useful service life and costs, of such batteries in field operations, and evaluate the necessary supporting infrastructure, including disposal and reuse of batteries; and

(c) SOLICITATION FOR GRANTS.—(1) There are authorized to be appropriated to the Secretary, from amounts authorized under section 216(b), for purposes of this subtitle—

(1) $1,000,000 for fiscal year 2002;

(2) $7,000,000 for fiscal year 2003; and

(3) $7,000,000 for fiscal year 2004.

The Secretary shall use such appropriations to—

(A) to pay the cost, except as provided in paragraph (3), of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees; and

(B) to provide—

(i) up to 25 percent of the purchase costs of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees; and

(ii) up to 15 percent of the purchase costs of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees.

The Secretary shall pay the cost, except as provided in paragraph (3), of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees, only if—

(A) the grant recipient submits a proposal that—

(i) is made for a minimum of 5 years;

(ii) shall receive more than 25 percent of the total cost of each bus received or $15,000 per bus; and

(iii) the type of associated equipment to be demonstrated and the type of supporting infrastructure to be demonstrated will—

(A) be specified in the proposal submitted under section (b), and

(B) be in accordance with such other criteria as the Secretary considers appropriate.

(b) USES.—(1) A grant shall be awarded under this section only—

(1) to a local governmental entity responsible for providing school bus service for one or more public school systems; and

(2) jointly to an entity described in paragraph (1) and a contracting entity that provides school bus service to the public school system or systems.

SUBTITLE D—Green School Buses

SEC. 2141. SHORT TITLE.

This subtitle may be cited as the ‘‘Clean Green School Bus Act of 2001’’.

SEC. 2142. ESTABLISHMENT OF PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a pilot program for awarding grants to a certain basis to eligible entities for the demonstration and commercial application of alternative fuel school buses and ultra-low sulfur diesel school buses.

(b) REQUIREMENTS.—Not later than 3 months after the date of the enactment of this Act, the Secretary shall publish in the Federal Register the requirements for eligibility for assistance, and on implementation of the program established under subsection (a), including certification requirements to ensure compliance with this subtitle.

(c) SOLICITATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary shall solicit proposals for grants under this section.

(d) ELIGIBLE RECIPIENTS.—A grant shall be awarded under this section only—

(1) to a local governmental entity responsible for providing school bus service for one or more public school systems; and

(2) jointly to an entity described in paragraph (1) and a contracting entity that provides school bus service to the public school system or systems.

SUBTITLE E—Types of Grants

(1) IN GENERAL.—Grants under this section shall be for the demonstration and commercial application of technologies to facilitate the use of alternative fuel school buses and ultra-low sulfur diesel school buses in lieu of buses manufactured before model year 1977 and diesel-powered buses manufactured before model year 1991.

(2) NO ECONOMIC BENEFIT.—Rather than the receipt of the grant, the recipient of a grant under this section may not receive any economic benefit in connection with the receipt of the grant.

(p) PRIORITY OF GRANT APPLICATIONS.—The Secretary shall give priority to awarding grants to applicants who—

(A) to pay the cost, except as provided in paragraph (3), of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees; and

(B) provide—

(i) up to 25 percent of the purchase costs of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees; and

(ii) up to 15 percent of the purchase costs of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees.

The grant recipient shall be required to pay the cost, except as provided in paragraph (3), of new alternative fuel school buses or ultra-low sulfur diesel school buses, only if—

(A) the grant recipient submits a proposal that—

(i) is made for a minimum of 5 years;

(ii) shall receive more than 25 percent of the total cost of each bus received or $15,000 per bus; and

(iii) the type of associated equipment to be demonstrated and the type of supporting infrastructure to be demonstrated will—

(A) be specified in the proposal submitted under section (b), and

(B) be in accordance with such other criteria as the Secretary considers appropriate.

(b) USES.—(1) A grant shall be awarded under this section only—

(1) to a local governmental entity responsible for providing school bus service for one or more public school systems; and

(2) jointly to an entity described in paragraph (1) and a contracting entity that provides school bus service to the public school system or systems.

(e) TYPES OF GRANTS.—(1) IN GENERAL.—Grants under this section shall be for the demonstration and commercial application of technologies to facilitate the use of alternative fuel school buses and ultra-low sulfur diesel school buses in lieu of buses manufactured before model year 1977 and diesel-powered buses manufactured before model year 1991.

(2) NO ECONOMIC BENEFIT.—Rather than the receipt of the grant, the recipient of a grant under this section may not receive any economic benefit in connection with the receipt of the grant.

(f) PRIORITY OF GRANT APPLICATIONS.—The Secretary shall give priority to awarding grants to applicants who—

(A) to pay the cost, except as provided in paragraph (3), of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees; and

(B) provide—

(i) up to 25 percent of the purchase costs of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees; and

(ii) up to 15 percent of the purchase costs of new alternative fuel school buses or ultra-low sulfur diesel school buses, including State taxes and contract fees.

The grant recipient shall be required to pay the cost, except as provided in paragraph (3), of new alternative fuel school buses or ultra-low sulfur diesel school buses, only if—

(A) the grant recipient submits a proposal that—

(i) is made for a minimum of 5 years;

(ii) shall receive more than 25 percent of the total cost of each bus received or $15,000 per bus; and

(iii) the type of associated equipment to be demonstrated and the type of supporting infrastructure to be demonstrated will—

(A) be specified in the proposal submitted under section (b), and

(B) be in accordance with such other criteria as the Secretary considers appropriate.

(g) BUSES.—Funding under a grant made under this section may be used to demonstrate the use of alternative fuel school buses and ultra-low sulfur diesel school buses manufactured after model year 1991.
SEC. 2144. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary for carrying out this subtitle, to remain available until expended—

(a) $40,000,000 for fiscal year 2002;

(b) $50,000,000 for fiscal year 2003;

(c) $60,000,000 for fiscal year 2004; and

(d) $80,000,000 for fiscal year 2005.

Subtitle E—Next Generation Lighting Initiative

SEC. 2151. SHORT TITLE.

This subtitle may be cited as “Next Generation Lighting Initiative Act”.

SEC. 2152. NEXT GENERATION LIGHTING INITIATIVE.

(a) ESTABLISHMENT.—The Secretary is authorized to establish a lighting initiative to—

(1) carry out a lighting initiative; and

(2) develop, conduct, and develop demonstration activities on advanced lighting technologies, including white light emitting diodes.

(b) RESEARCH OBJECTIVES.—The research objectives of the Lighting Initiative shall be to develop, by 2011, advanced lighting technologies that, compared to current lighting technologies, including fluorescent lighting technologies as of the date of the enactment of this Act, are—

(1) longer lasting;

(2) more energy-efficient; and

(3) cost-competitive.

SEC. 2154. STUDY.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary, in consultation with Federal agencies, as appropriate, shall complete a study on strategies for the development and commercial application of advanced lighting technologies. The Secretary shall request a review by the National Academies of Sciences and Engineering of the study under this subsection, and shall transmit the results to the appropriate congressional committees.

(b) REQUIREMENTS.—The study shall—

(1) develop a comprehensive strategy to implement the initiative; and

(2) identify the research and development, manufacturing, deployment, and marketing barriers that must be overcome to achieve a goal of 25 percent of new commercial and industrial new construction and replacement installations with advanced lighting technologies by the year 2012.

(c) IMPLEMENTATION.—As soon as practicable after the review of the study under subsection (a) is transmitted to the Secretary by the National Academies of Sciences and Engineering, the Secretary shall adapt the implementation of the Lighting Initiative taking into consideration the recommendations of the National Academies of Sciences and Engineering.

SEC. 2155. GRANT PROGRAM.

(a) IN GENERAL.—Subject to section 2003 of this Act, the Secretary may make merit-based competitive grants to firms and research organizations that conduct research, development, and demonstration projects related to advanced lighting technologies.

(b) ANNUAL LIMITATIONS.

(1) IN GENERAL.—An annual independent review of the grant-related activities of firms and research organizations receiving a grant under this section shall be conducted by a committee appointed by the Secretary under the Federal Advisory Committee Act (5 U.S.C. App.), or, at the request of the Secretary, by the National Academies of Sciences and Engineering.

(2) REQUIREMENTS.—Using clearly defined standards established by the Secretary, the review shall assess technology advances and progress toward commercialization of the grants-related activities of firms or research organizations during each fiscal year of the grant program.

(c) TECHNICAL AND FINANCIAL ASSISTANCE.—The National laboratories and other Federal agencies, as appropriate, shall cooperate with and provide technical and financial assistance to firms or research organizations conducting research, development, and demonstration projects carried out under this subtitle.

Subtitle F—Department of Energy Authorization of Appropriations

SEC. 2161. AUTHORIZATION OF APPROPRIATIONS.

(a) OPERATION AND MAINTENANCE.—In addition to amounts authorized to be appropriated under sections 2105, 2125, and section 2144, there are authorized to be appropriated to the Secretary for subtitle B, subtitle C, subtitle E, and for Energy Conservation operation and maintenance (including Building Technology, State and Community Sector (Nongrants), Industry Transportation Technologies, and Policy and Management) $625,000,000 for fiscal year 2002, $700,000,000 for fiscal year 2003, and $800,000,000 for fiscal year 2004, to remain available until expended.

(b) LIMITS ON USE OF FUNDS.—None of the funds authorized to be appropriated in subsection (a) may be used for—

(1) Building Technology, State and Community Sector—

(A) Residential Building Energy Codes;

(B) Commercial Building Energy Codes;

(C) Lighting and Appliance Standards;

(D) Weatherization Assistance Program; or

(E) State Energy Programs;

(2) Federal Energy Management Program.

Subtitle G—Environmental Protection Agency Office of Air and Radiation Authorization of Appropriations

SEC. 2171. SHORT TITLE.

This subtitle may be cited as the “Environmental Protection Agency Office of Air and Radiation Authorization Act of 2001”.

SEC. 2172. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Administrator for Office of Air and Radiation $121,942,000 for fiscal year 2002, $126,800,000 for fiscal year 2003, and $131,800,000 for fiscal year 2004, to remain available until expended, of which—

(1) $52,731,000 for fiscal year 2002, $54,800,000 for fiscal year 2003, and $57,000,000 for fiscal year 2004 shall be for Buildings;

(2) $32,441,000 for fiscal year 2002, $33,700,000 for fiscal year 2003, and $35,000,000 for fiscal year 2004 shall be for Transport;

(3) $27,265,000 for fiscal year 2002, $28,400,000 for fiscal year 2003, and $29,000,000 for fiscal year 2004 shall be for Industry;

(4) $1,700,000 for fiscal year 2002, $1,800,000 for fiscal year 2003, and $1,900,000 for fiscal year 2004 shall be for Climate Change Programs;

(5) $2,500,000 for fiscal year 2002, $2,600,000 for fiscal year 2003, and $2,700,000 for fiscal year 2004 shall be for State and Local Climate; and

(6) $5,275,000 for fiscal year 2002, $5,500,000 for fiscal year 2003, and $5,700,000 for fiscal year 2004 shall be for International Capacity Building.

SEC. 2173. LIMITS ON USE OF FUNDS.

(a) PRODUCTION OR PROVISION OF ARTICLES OR SERVICES.—None of the funds authorized to be appropriated by this subtitle may be used to produce or provide articles or services for the purpose of selling the articles or services to a person other than the Federal Government, unless the Administrator determines that comparable articles or services

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(4) that, in the case of ultra-low sulfur diesel school buses, emit not more than—

(A) for buses manufactured in model years 2001 through 2003, 3.0 grams per brake horsepower-hour of particulate matter; and

(B) for buses manufactured in model years 2004 and subsequent, 2.5 grams per brake horsepower-hour of particulate matter.

For purposes of this section—

(i) LIMIT ON FUNDING.—The Department shall provide not less than 20 percent and not more than 25 percent of the grant funding made available under this section for any fiscal year for the acquisition of ultra-low sulfur diesel school buses.

(ii) DEFINITIONS.—For purposes of this section—

(I) Term.—The term “alternative fuel school bus” means a bus powered substantially by electricity, including electricity supplied by a fuel cell. The term includes compressed natural gas, liquefied petroleum gas, hydrogen, propane, or methanol or ethanol at no less than 85 percent by volume; and the term “low-sulfur diesel school bus” means a school bus powered by diesel fuel which contains sulfur at not more than 15 parts per million.

III. FEDERAL BUS DEVELOPMENT AND DEMONSTRATION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall establish a program for entering into cooperative agreements with private sector companies and Federal agencies for the development of fuel cell-powered school buses, and shall provide grants to such entities to develop the use of fuel cell-powered school buses.

(b) COST SHARING.—The non-Federal contribution for activities funded under this section shall not be less than—

(1) 20 percent for fuel infrastructure development activities; and

(2) 50 percent for demonstration activities and for development activities not described in paragraph (1).

(c) FUNDING.—No more than $45,000,000 of the amounts authorized under section 2144 may be used for carrying out this section for the period encompassing fiscal years 2002 through 2006.

(d) REPORTS TO CONGRESS.—Not later than 3 years after enactment of this Act, the Secretary shall transmit to the appropriate congressional committees a report that—

(1) evaluates the process of converting natural gas infrastructure to accommodate fuel cell-powered school buses; and

(2) assesses the results of the development and demonstration program under this section.
are not available from a commercial source in the United States.

(b) REQUESTS FOR PROPOSALS.—None of the funds authorized to be appropriated by this subtitle may be used by the Administrator of the Environmental Protection Agency to prepare or initiate Requests for Proposals for a program if the program is not authorized by Congress.

SEC. 2174. COST SHARING.

(a) RESEARCH AND DEVELOPMENT.—Except as otherwise provided in this subtitle, for research and development programs carried out under this Act, the Administrator shall require that the cost sharing by the recipient and the Administrator determines that the research and development is of a basic or fundamental nature.

(b) DEMONSTRATION AND COMMERCIAL APPLICATION.—Except as otherwise provided in this title, the Administrator shall require that at least 50 percent of the costs directly and specifically related to any demonstration or commercial application project under this title to be provided from non-Federal sources. The Administrator shall reduce or eliminate the non-Federal requirement under this subsection if the Administrator determines that the reduction is necessary and appropriate considering the technological risks involved in the project and is necessary to meet the objectives of this title.

(c) CALCULATION OF AMOUNT.—In calculating the amount of the non-Federal commitment under subsection (a) or (b), the Administrator may include personnel, services, equipment, and other resources.

SEC. 2175. LIMITATION ON DEMONSTRATION AND COMMERCIAL APPLICATIONS OF TECHNOLOGY.

The Administrator shall provide funding for scientific or energy demonstration or commercial projects only if energy technologies are specifically related to any demonstration or commercial application program, projects, or activities of the Office of Air and Radiation or any other Federal, State, county, or local government agency, including any Federal, State, county, or local government agency that has been taken to advance the policy of this title. The Administrator shall provide to the appropriate congressional committees a report describing the Federal role in reducing the cost, including energy costs, of using, owning, and operating commercial, institutional, residential, and industrial buildings by 30 percent by 2020.

Subtitle J—National Building Performance Initiative

SEC. 2181. NATIONAL BUILDING PERFORMANCE INITIATIVE.

(a) INTERAGENCY GROUP.—Not later than 6 months after the date of the enactment of this Act, the Director of the Office of Science and Technology Policy shall establish an Interagency Group to provide for the development and implementation of a National Building Performance Initiative to address energy conservation and research and development and demonstration of energy technologies.

(b) PLAN.—Not later than 9 months after the date of the enactment of this Act, the Interagency Group shall transmit to the Congress a multiyear implementation plan describing the activities of the Interagency Group to provide for the development and demonstration of energy technologies that minimize adverse environmental impacts with emphasis on efficient and cost-effective production from renewable energy resources.

SEC. 2182. DEFINITIONS.

Not later than 6 months after the date of the enactment of this Act, the Interagency Group shall transmit to the Congress a multiyear implementation plan describing the activities of the Interagency Group to provide for the development and demonstration of energy technologies that minimize adverse environmental impacts with emphasis on efficient and cost-effective production from renewable energy resources.

SEC. 2204. REPORTS TO CONGRESS.

(a) REQUIREMENT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Energy shall submit to Congress a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(b) REPORT.—(1) The report referred to in subsection (a), shall be transmitted to each House of Congress in not in session in a letter to the Speaker and the Senate that contains a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(2) The report referred to in subsection (a), shall be transmitted to each House of Congress at the time of adjournment by the private sector, toward implementing the plan developed under subsection (b), and including any amendments to the plan.

TITLE II—RENEWABLE ENERGY

Subtitle A—Hydrogen

SEC. 2191. SHORT TITLE.

This title may be cited as the “Robert S. Walker and George E. Brown, Jr., Hydrogen Energy Act of 2001”.

SEC. 2192. PURPOSES.

Section 102(b) of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 is amended to read as follows:

(1) PURPOSES.—The purposes of this Act are—

(1) to direct the Secretary to conduct research, development, and demonstration activities leading to the production, storage, transportation, and use of hydrogen for industrial, commercial, residential, transportation, and utility applications;

(2) to direct the Secretary to develop a program of technology assessment, information dissemination, and education in which Federal, State, and local agencies, members of the energy, transportation, and other industries, and other entities may participate; and

(3) to develop methods of hydrogen production that minimize adverse environmental impacts with emphasis on efficient and cost-effective production from renewable energy resources.

SEC. 2201. SHORT TITLE.

This subtitle may be cited as the “Hydrogen Research, Development, and Demonstration Act of 1990”.

SEC. 2202. PURPOSES.

(a) REQUIREMENT.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to Congress a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(b) REPORT.—(1) The report referred to in subsection (a), shall be transmitted to each House of Congress at the time of adjournment by the private sector, toward implementing the plan developed under subsection (b), and including any amendments to the plan.

(2) The report referred to in subsection (a), shall be transmitted to each House of Congress at the time of adjournment by the private sector, toward implementing the plan developed under subsection (b), and including any amendments to the plan.
SPEC. 106. HYDROGEN RESEARCH AND DEVELOPMENT.
Section 106 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 is amended to read as follows:

"SEC. 104. HYDROGEN RESEARCH AND DEVELOPMENT.
(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall conduct a hydrogen research and development program relating to production, storage, transportation, and use of hydrogen, including a demonstration of enabling technology on a local, regional, or national scale, to identify viable methods for the economic production, storage, transportation, and use of hydrogen. Such research and development shall include:

(1) development of hydrogen production, storage, transportation, and use technologies, including application in foreign countries to increase the global market for hydrogen technologies and foster global economic development without harmful environmental effects.

(b) INFORMATION.—The Secretary, in carrying out this program, shall:

(1) undertake an update of the inventory and assessment required under section 106(b)(1) of this Act as in effect before the date of the enactment of the Robert S. Walker and George E. Brown, Jr., Hydrogen Energy Act of 2001, of hydrogen technologies and their commercial capability to economically produce, store, transport, and use hydrogen in industrial, commercial, residential, and transportation sectors; and

(2) develop, with other Federal agencies as appropriate and industry, an information exchange to improve technology transfer for hydrogen production, storage, transportation, and use, which may consist of workshops, publications, conferences, and a database for the use by the public and private sectors.

(c) EVALUATION OF TECHNOLOGIES.—The Secretary shall evaluate, for the purpose of determining whether to undertake or fund research and development activities under this section, any reasonable new or improved technology that could lead or contribute to the development of economical hydrogen production, storage, transportation, and use.

(d) RESEARCH AND DEVELOPMENT SUPPORT.—The Secretary is authorized to arrange for tests and demonstrations and to disseminate to researchers and developers information, data, and other materials necessary to support the research and development activities authorized under this section and conducted under this Act, consistent with section 106 of this Act.

(e) COMPETITIVE PEER REVIEW.—The Secretary shall carry out, fund research and development activities under this section only on a competitive basis using peer review.

(f) Cost Sharing.—For research and development programs carried out under this section, the Secretary shall require a cost sharing from non-Federal sources of at least 20 percent of the cost of the project. The Secretary may reduce or eliminate the non-Federal requirement under this subsection if the Secretary determines that the research and development is of a basic or fundamental nature.

SEC. 2206. DEMONSTRATIONS.
Section 105 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 is amended to read as follows:

"SEC. 105. DEMONSTRATIONS.
(a) ESTABLISHMENT.—The Secretary shall enter into appropriate arrangements with the National Academies of Sciences and Engineering to establish an advisory committee consisting of experts drawn from domestic industry, academia, Governmental laboratories, environmental, and other organizations, as appropriate, to review and advise on the progress made through the programs and activities authorized under this Act.

(b) COOPERATION.—The Heads of Federal agencies shall cooperate with the advisory committee in carrying out this section and shall furnish to the advisory committee such information as the advisory committee reasonably deems necessary to carry out this Act.

(c) REVIEW.—The advisory committee shall review and make any necessary recommendations to the Secretary under this Act.

(d) Authorization of Appropriations.

SEC. 2207. TECHNOLOGY TRANSFER.
Section 106 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 is amended to read as follows:

"SEC. 106. TECHNOLOGY ASSESSMENT, INFORMATION, UNIVERSITY, AND EDUCATION PROGRAM.
(a) PROGRAM.—The Secretary shall conduct a program designed to accelerate the wider application of hydrogen production, storage, transportation, and use technologies, including application in foreign countries to increase the global market for hydrogen technologies and foster global economic development without harmful environmental effects.

(b) INFORMATION.—The Secretary, in carrying out the program authorized by subsection (a), shall:

(1) undertake an update of the inventory and assessment required under section 106(b)(1) of this Act as in effect before the date of the enactment of the Robert S. Walker and George E. Brown, Jr., Hydrogen Energy Act of 2001, of hydrogen technologies and their commercial capability to economically produce, store, transport, and use hydrogen in industrial, commercial, residential, and transportation sectors; and

(2) develop, with other Federal agencies as appropriate and industry, an information exchange to improve technology transfer for hydrogen production, storage, transportation, and use, which may consist of workshops, publications, conferences, and a database for the use by the public and private sectors.

SEC. 2208. COORDINATION AND CONSULTATION.
Section 107 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 is amended—

(1) by amending paragraph (1) of subsection (a) to read as follows:

(1) establishes a central point for the coordination of all hydrogen research, development, and demonstration activities of the Department; and

(2) by amending subsection (c) to read as follows:

(3) CONSULTATION.—The Secretary shall consult with other Federal agencies as appropriate and the advisory committee, in carrying out the Secretary's authorities pursuant to this Act.

SEC. 2209. ADVISORY COMMITTEE.
Section 108 of the Spark M. Matsunaga Hydrogen Research, Development, and Demonstration Act of 1990 is amended to read as follows:

"SEC. 108. ADVISORY COMMITTEE.
(a) ESTABLISHMENT.—The Secretary shall carry out a research and demonstration program relating to hydrogen, dehydration, and conversion technologies, including application in foreign countries to increase the global market for hydrogen technologies and foster global economic development without harmful environmental effects.

(b) INFORMATION.—The Secretary shall conduct a program designed to accelerate the wider application of hydrogen production, storage, transportation, and use technologies, including application in foreign countries to increase the global market for hydrogen technologies and foster global economic development without harmful environmental effects.

(c) RESEARCH AND DEVELOPMENT.

SEC. 109. AUTHORIZATION OF APPROPRIATIONS.

SEC. 2210. AUTHORIZATION OF APPROPRIATIONS.

SEC. 2211. REPEAL.

SEC. 2212. SHORT TITLE.

Subtitle B—Bioenergy

SEC. 2221. SHORT TITLE.

This subtitle may be cited as the "Bioenergy Act of 2001".
(2) the term “biofuels” includes liquid or gaseous fuels, industrial chemicals, or both;
(3) the term “biopower” includes the generation of electricity or process steam or both;
(4) the term “integrated bioenergy research and development” includes biopower and biofuels applications.

SEC. 2224. AUTHORIZATION.
The Secretary is authorized to conduct environmental research and development, scientific and energy research, development, and demonstration, and commercial application of energy technology programs, projects, and activities related to bioenergy, including biopower energy systems, biofuels energy systems, and integrated bioenergy research and development.

SEC. 2225. AUTHORIZATION OF APPROPRIATIONS.
(a) BIOPOWER ENERGY SYSTEMS.—There are authorized to be appropriated to the Secretary for biopower Energy Systems programs, projects, and activities—
(1) $45,700,000 for fiscal year 2002;
(2) $52,000,000 for fiscal year 2003;
(3) $60,300,000 for fiscal year 2004;
(4) $69,300,000 for fiscal year 2005; and
(5) $79,600,000 for fiscal year 2006.
(b) BIOFUELS ENERGY SYSTEMS.—There are authorized to be appropriated to the Secretary for biofuels energy systems programs, projects, and activities—
(1) $37,000,000 for fiscal year 2002;
(2) $41,400,000 for fiscal year 2003;
(3) $70,600,000 for fiscal year 2004;
(4) $81,100,000 for fiscal year 2005; and
(5) $93,200,000 for fiscal year 2006.
(c) INTEGRATED BIOENERGY RESEARCH AND DEVELOPMENT.—There are authorized to be appropriated to the Secretary for integrated bioenergy research and development programs, projects, and activities, $49,000,000 for each of the fiscal years 2002 through 2006. Activities funded under this subsection shall be coordinated with ongoing related programs of other Federal agencies, including the Plant Genome Program of the National Science Foundation. Of the funds authorized under this subsection shall be for training and education targeted to minority and socially disadvantaged farmers and ranchers.

SEC. 2241. TRANSMISSION INFRASTRUCTURE SYSTEMS.
(a) IN GENERAL.—The Secretary shall develop and implement a comprehensive research, development, demonstration, and commercial application program to ensure the reliability, security, and environmental integrity of electrical transmission systems. Such program shall include advanced energy technologies and systems, high capacity superconducting transmission lines and generators, advanced grid reliability and efficiency technologies development, technologies contributing to significant load reduction, technology, load management and control technologies, and technology transfer and education.
(b) TECHNOLOGY.—In carrying out this subsection, the Secretary may include research and development, and demonstration on and commercial application of improved transmission technologies including the integration of the following technologies into improved transmission systems:
(1) High temperature superconductivity.
(2) Advanced transmission materials.
(3) Self-adjusting equipment, processes, or software for survivability, security, and failure containment.
(4) Enhancements of energy transfer over existing lines.
(5) Any other infrastructure technologies, as appropriate.

SEC. 2242. PROGRAM PLAN.
Within 6 months after the date of the enactment of this Act, the Secretary, in consultation with other appropriate Federal agencies, shall submit to Congress a plan to conduct research and development to carry out a 5-year program plan to guide activities under this subtitle. In preparing the program plan, the Secretary shall consult with representatives of the transmission infrastructure systems industry to select and prioritize appropriate program areas. The Secretary shall also seek the advice of the National Institute of Standards and Technology, and any other persons as the Secretary considers appropriate.

SEC. 2243. REPORT.
Two years after the date of the enactment of this Act, and at 2-year intervals thereafter, the Secretary, in consultation with other appropriate Federal agencies, shall transmit to Congress describing the progress made to achieve the purposes of this subtitle and identifying any additional resources needed to continue the development and commercial application of transmission infrastructure technologies.

Subtitle D—Department of Energy Authorization of Appropriations

SEC. 2251. AUTHORIZATION OF APPROPRIATIONS.
(b) WAVE POWERED ELECTRIC GENERATION.—There are authorized to be appropriated to the Secretary for Wave Powered Electric Generation, including the costs of research, development and demonstration, for fiscal year 2002 through 2004, such sums as may be required.
(c) ASSESSMENT OF RENEWABLE ENERGY SOURCES.
(1) IN GENERAL.—Using funds authorized in subsection (a), of this section, the Secretary shall carry out a research program, in conjunction with other appropriate Federal agencies, on wave-powered electric generation.
(2) RESOURCE ASSESSMENT.—Such report shall include a detailed inventory describing the available amount and characteristics of renewable energy resources, including the adequacy of these resources, and an estimate of the costs needed to develop them. Such inventories shall also include other information as the Secretary believes would be useful in siting renewable energy generation, such as appropriate terrain, population and load centers, nearby energy infrastructure, and location of energy resources.
(d) AVAILABILITY.—The information and cost estimates in this report shall be updated annually and made available to the public, along with the data used to create the report.
(e) SUNSET.—This subsection shall expire at the end of fiscal year 2004.

SEC. 2252. USE OF FUNDS.
Nothing in this Act shall be construed to authorize the Secretary to be appropriated in paragraphs (1) and (2) of section 2261(a) for any fiscal year.

Subtitle E—Department of Energy Programs

SEC. 2261. AUTHORIZATION OF APPROPRIATIONS.
(a) TITLE C, GEOTHERMAL TECHNOLOGY DEVELOPMENT.—There are authorized to be appropriated to the Secretary under subtitle C, Geothermal Technology Development, such sums as may be required, $28,000,000 for each of fiscal years 2002 through 2006.
(b) WAVE POWERED ELECTRIC GENERATION.—There are authorized to be appropriated to the Secretary for Wave Powered Electric Generation, including the costs of research, development and demonstration, for fiscal year 2002 through 2004, such sums as may be required.

Subtitle F—Indian Energy Resources

TITLE III—NUCLEAR ENERGY

Subtitle A—University Nuclear Science and Engineering

SEC. 2301. SHORT TITLE.
This subtitle may be cited as “Department of Energy University Nuclear Science and Engineering Act.”

SEC. 2302. FINDINGS.
The Congress finds the following:
(1) United States university nuclear science and engineering programs are in a state of serious decline, with nuclear engineering enrollment low.
(2) Since 1980, the number of nuclear engineering university programs has declined nearly 40 percent, and over two-thirds of the programs are 45 years of age or older.
(3) Also, since 1980, the number of university research and training reactors in the United States has declined by over 50 percent.
(4) Currently, there are 56 reactors, whereas there were 115 in the mid-1960s and 30 to 40-year operating licenses, and many will require relicensing in the next several years.
(5) A decline in a competent nuclear workforce, and the lack of adequately trained nuclear scientists and engineers, will affect the ability of the United States to solve future nuclear waste storage issues, operate existing and design future fission reactors in the United States, respond to future nuclear events worldwide, help stem the proliferation of nuclear weapons, and operate naval nuclear reactors.

(3) The Department of Energy’s Office of Nuclear Energy, Science and Technology, a program of the Department of Energy. In research in nuclear science and engineering, is well suited to help maintain tomorrow’s human resource and training investment in the nuclear sciences.

SEC. 2303. DEPARTMENT OF ENERGY PROGRAM.
(a) ESTABLISHMENT.—The Secretary, through the Office of Nuclear Energy, Science and Technology, shall support a program to maintain the Nation’s human resource investment and infrastructure in the nuclear sciences and engineering consistent with the Department’s statutory authorities, both to ensure a trained, diverse, and adequately trained critical mass of the nuclear sciences and engineering workforce, and the lack of adequately trained nuclear engineers.
(b) DUTIES OF THE OFFICE OF NUCLEAR ENERGY, SCIENCE AND TECHNOLOGY.—In carrying out the program under this subtitle, the Director of the Office of Nuclear Energy, Science and Technology shall—
(1) develop a robust graduate and undergraduate fellowship program to attract new and talented students;
(2) assist universities in recruiting and retaining new faculty in the nuclear sciences and engineering through a Junior Faculty Research Initiation Grant Program;
(3) maintain a robust investment in the future of the nuclear sciences and engineering through the Nuclear Engineering Education Research Program;
(4) encourage collaborative nuclear research among industry, national laboratories, and universities through the Nuclear Energy Research Initiative;
(5) authorized in maintaining reactor infrastructure; and
(6) support communication and outreach related to nuclear science and engineering.

(b) University Nuclear Research, Reactor Operations, and Training.

(1) is to support and enhance institutional excellence in the areas of nuclear science and technology under the mentorship of laboratory staff.
(2) is to provide for fellowships for students to spend time at Department of Energy laboratories in the areas of nuclear science and technology; and
(3) is to developing a sabbatical program for university appointees and extended periods of time at Department of Energy laboratories in the areas of nuclear science and technology.
(4) is to provide for a visiting scientist program in which laboratory staff can spend time in academic nuclear science and engineering departments.
(5) is to provide for the membership of university staff in the mentorship of laboratory staff.
(6) is to develop and maintain an academic environment that supports and encourages the development of nuclear energy research.

(7) is to provide for the operations and maintenance of the nuclear research reactor.
(8) is to provide for the operations and maintenance of the research reactor at the request of the investigator.
(9) is to support the activities of the advanced fuel reprocessing program jointly with industry and subject to annual review by the Secretary's Nuclear Energy Research Advisory Committee or other independent entity, as appropriate.

(c) Authorization of Appropriations.

There are authorized to be appropriated to the Secretary to carry out this section:
(1) $10,000,000 for fiscal year 2002; and
(2) such sums as necessary for fiscal years 2003 and 2004.

Subtitle C—Department of Energy Authorization of Appropriations

SEC. 2341. NUCLEAR ENERGY RESEARCH INITIATIVE.

(a) Program.

The Secretary, through the Office of Nuclear Energy, Science and Technology, shall conduct a Nuclear Energy Research Initiative for grants to be competitive and subject to peer review for research relating to nuclear energy.

(b) Objectives.

The program shall be directed toward accomplishing the objectives of:
(1) developing advanced concepts and scientific breakthroughs in nuclear fission and reactor technology to address and overcome the technical and economic obstacles to the expanded use of nuclear energy in the United States;
(2) advancing the state of nuclear technology to maintain a competitive position in foreign markets and a future domestic market;
(3) promoting and maintaining a United States nuclear science and engineering infrastructure to meet future technical challenges;
(4) providing an effective means to collaborate on a cost-shared basis with international agencies and research organizations to address and influence nuclear technology development worldwide; and
(5) promoting United States leadership and partnerships in bilateral and multilateral nuclear energy research.

(c) Authorization of Appropriations.

There are authorized to be appropriated to the Secretary to carry out this section:
(1) $60,000,000 for fiscal year 2002; and
(2) such sums as necessary for fiscal years 2003 and 2004.

SEC. 2342. NUCLEAR ENERGY PLANT OPTIMIZATION PROGRAM.

(a) Program.

The Secretary, through the Office of Nuclear Energy, Science and Technology, shall conduct a Nuclear Energy Plant Optimization research and development program that includes work with industry and cost-shared by industry by at least 50 percent and subject to annual review by the Secretary's Nuclear Energy Research Advisory Committee or other independent entity, as appropriate.

(b) Objectives.

The program shall be directed toward accomplishing the objectives of:
(1) managing long-term effects of component aging; and
(2) improving the efficiency and productivity of existing nuclear power stations.

(c) Authorization of Appropriations.

There are authorized to be appropriated to the Secretary to carry out this section:
(1) $15,000,000 for fiscal year 2002; and
(2) such sums as necessary for fiscal years 2003 and 2004.

SEC. 2343. NUCLEAR ENERGY TECHNOLOGIES.

(a) In General.

The Secretary, through the Office of Nuclear Energy, Science and Technology, shall...
Technology, shall conduct a study of Generation IV nuclear energy systems, including development of a technology roadmap and performance of research and development necessary to make an informed technical decision regarding the most promising candidates for commercial application.

(b) REACTOR CHARACTERISTICS.—To the extent that conducting the study under subsection (a), the Secretary shall study nuclear energy systems that offer the highest probability of achieving the goals for Generation IV nuclear energy systems, including—

(1) economics competitive with any other generators;
(2) enhanced safety features, including passive safety features;
(3) substantially reduced production of high-level waste, as compared with the quantity of waste produced by reactors in operation on the date of the enactment of this Act;
(4) highly proliferation-resistant fuel and waste;
(5) sustainable energy generation including optimized fuel utilization; and
(6) substantially improved thermal efficiency compared with the thermal efficiency of reactors in operation on the date of the enactment of this Act.

(c) CONSULTATION.—In conducting the study under subsection (a), the Secretary shall consult with appropriate representatives of industry, institutions of higher education, Federal agencies, and international, professional, and technical organizations.

(d) REPORT.—

(1) IN GENERAL.—Not later than December 31, 2002, the Secretary shall transmit to the appropriate congressional committees a report describing the activities of the Secretary under this section, and plans for research and development leading to a public/private partnership to share in development and construction costs; and

(2) CONTENTS.—The report shall contain—

(A) an assessment of all available technologies;
(B) a summary of actions needed for the development programs, which shall include a list of all activities expected to be underwritten or funded under this title for nuclear energy operation and maintenance, including amounts authorized under sections 2304(a), 2323(c), 2341(c), 2342(c), and 2343(e), and including Advanced Reactor Landlord, and Program Direction, $191,200,000 for fiscal year 2002, $199,000,000 for fiscal year 2003, and $207,000,000 for fiscal year 2004, to remain available until expired;
(C) a detailed description of how proposals are to be evaluated and ranked;
(D) an evaluation of opportunities for public/private partnerships;
(E) a recommendation for the structure of a public/private partnership to share in the development and construction costs; and
(F) a plan leading to the selection and conceptual design, by September 30, 2004, of at least one Generation IV nuclear energy system concept recommended under subparagraph (C) for demonstration through a public/private partnership.

SEC. 2344. AUTHORIZATION OF APPROPRIATIONS.

(a) NUCLEAR ENERGY SYSTEM MAINTENANCE.—There are authorized to be appropriated to the Secretary to carry out activities authorized under this title for nuclear energy operation and maintenance, including amounts authorized under sections 2304(a), 2323(c), 2341(c), 2342(c), and 2343(e), and including Advanced Reactor Landlord, and Program Direction, $191,200,000 for fiscal year 2002, $199,000,000 for fiscal year 2003, and $207,000,000 for fiscal year 2004, to remain available until expired.

(b) CONSTRUCTION.—There are authorized to be appropriated to the Secretary under this section, and plans for research and development leading to a public/private partnership to share in development and construction costs; and

(1) $590,000,000 for fiscal year 2002, $2,200,000 for fiscal year 2003, $1,246,000 for fiscal year 2004, and $1,699,000 for fiscal year 2005 for completion of construction of Project 95-E-201, Test Reactor Area Electric Utility Upgrade, Idaho National Engineering and Environmental Laboratory; and

(2) $500,000 for fiscal year 2002, $500,000 for fiscal year 2003, $500,000 for fiscal year 2004, and $500,000 for fiscal year 2005, for completion of construction of Project 95-E-201, Test Reactor Area Electric Utility Upgrade, Idaho National Engineering and Environmental Laboratory.

(c) LIMITS ON USE OF FUNDS.—None of the funds authorized to be appropriated under this section (a) may be used for—

(1) Nuclear Energy Isotope Support and Production;
(2) Argonne National Laboratory-West Operations;
(3) Fast Flux Test Facility; or
(4) Nuclear Facilities Management.

TITLE IV—FOSSIL ENERGY

Subtitle A—Coal

SEC. 2401. COAL AND RELATED TECHNOLOGIES PROGRAMS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $172,000,000 for fiscal year 2002, $179,000,000 for fiscal year 2003, and $186,000,000 for fiscal year 2004, to remain available until expended, for coal and related technologies research and development programs, which shall include—

(i) Innovations for Existing Plants;
(ii) Integrated Gasification Combined Cycle;
(iii) advanced combustion systems;
(iv) Turbines;
(v) Sequestration Research and Development;
(vi) innovative technologies for demonstration;
(vii) Transportation Fuels and Chemicals;
(viii) Solid Fuels and Feedstocks;
(ix) Advanced Fuels Research; and
(x) Advanced Research.

(b) LIMITATION ON FUNDS.—Notwithstanding subsection (a), no funds may be used to carry out the activities authorized by this section after September 30, 2002, unless the Secretary has transmitted to the Congress the report required by this subsection and 1 month has elapsed since that transmission. The report shall include a plan containing—

(1) a detailed description of how proposals will be solicited and evaluated, including a list of all activities expected to be undertaken;
(2) a detailed list of technical milestones for each coal and related technology that will be pursued; and
(3) a description of how the programs authorized in this section will be carried out so as to complement and not duplicate activities authorized under—

(c) GASIFICATION.—The Secretary shall fund at least one gasification project with the funds authorized under this section.

Subtitle B—Oil and Gas

SEC. 2421. PETROLEUM-OIL TECHNOLOGY.

The Secretary shall conduct a program of research, development, demonstration, and commercial application on petroleum-oil technology. The program shall address—

(1) Exploration and Production Supporting Research;
(2) Oil Technology Reservoir Management/Extension; and
(3) Effective Environmental Protection.

SEC. 2422. GAS.

The Secretary shall conduct a program of research, development, demonstration, and commercial application on natural gas technologies. The program shall address—

(1) Exploration and Production;
(2) Infrastructure; and
(3) Effective Environmental Protection.

SEC. 2423. NATURAL GAS AND OIL DEPOSITS REPORT.

Two years after the date of the enactment of this Act, and at 2-year intervals thereafter, the Secretary of the Interior, in consultation with other appropriate Federal agencies, shall transmit a report to the Congress assessing the contents of natural gas and oil deposits at existing drilling sites off the coast of Louisiana and Texas.

SEC. 2424. OIL SHALE RESEARCH.

There are authorized to be appropriated to the Secretary of Energy for fiscal year 2002 $10,000,000, to be divided equally between grants for research on Eastern oil shale and grants for research on Alberta oil shale.

Subtitle C—Ultra-Deepwater and Unconventional Drilling

SEC. 2441. SHORT TITLE.

This subtitle may be cited as the “Natural Gas and Other Petroleum Research, Development, and Demonstration Act of 2001.

SEC. 2442. DEFINITIONS.

For purposes of this subtitle—

(1) the term “deepwater” means water depths greater than 200 meters but less than 1,500 meters;
(2) the term “Fund” means the Ultra-Deepwater and Unconventional Gas Research Fund established under section 2460;
(3) the term “Fund” means the Ultra-Deepwater and Unconventional Gas Research Fund established under section 2460;
(4) the term “Fund” means the Ultra-Deepwater and Unconventional Gas Research Fund established under section 2460;
(5) the term “ultra-deepwater” means water depths greater than 1,500 meters; and
(6) the term “unconventional” means located in heretofore inaccessible or uneconomic formations on land.

SEC. 2443. ULTRA-DEEPWATER PROGRAM.

The Secretary shall establish a program of research, development, and demonstration of ultra-deepwater natural gas and other petroleum exploration and production technologies, in areas currently available for Outer Continental Shelf leasing. The program shall be carried out by the Research Organization as provided in this subtitle.

SEC. 2444. NATIONAL ENERGY TECHNOLOGY LABORATORY.

The National Energy Technology Laboratory and the United States Geological Survey, when appropriate, shall conduct a program of long-term research into new natural gas and other petroleum exploration and production technologies and environmental mitigation technologies for production from unconventional and ultra-deepwater resources, including methane hydrates. Such Laboratory shall also conduct a program of research, development, demonstration, and commercial application on carbon sequestration technologies.
SEC. 2445. ADVISORY COMMITTEE.

(a) Establishment.—The Secretary shall, within 3 months after the date of the enactment of this Act, establish an Advisory Committee consisting of members representing Ronald E. McNair Space and Technology employees and contractors. A minimum of 4 members shall have extensive knowledge of unconventional natural gas or other petroleum exploration and production technologies; a minimum of 2 members shall have extensive knowledge of unconventional natural gas or other petroleum exploration and production technologies; and at least 1 member shall have extensive knowledge of greenhouse gas emission reduction technologies, including carbon sequestration.

(b) Functions.—The Advisory Committee shall advise the Secretary on the selection of an organization to create the Research Organization and on the implementation of this subtitle.

(c) Compensation.—Members of the Advisory Committee shall serve without compensation but shall receive travel expenses, including per diem allowances, in accordance with applicable provisions under subchapter 1 of chapter 57 of title 5, United States Code.

(d) Administrative Costs.—The costs of activities carried out by the Secretary and the Advisory Committee under this subtitle shall be reimbursed from the Fund.

(e) Duration of Advisory Committee.—Section 14 of the Federal Advisory Committee Act shall not apply to the Advisory Committee.

SEC. 2446. RESEARCH ORGANIZATION.

(a) Selection of Research Organization.—The Secretary, within 6 months after the date of the enactment of this Act, shall solicit proposals from eligible entities for the creation of the Research Organization, and within 3 months after such solicitation, shall select an entity to create the Research Organization.

(b) Eligible Entities.—Entities eligible to create the Research Organization shall—

(1) have been in existence as of the date of the enactment of this Act;

(2) be entities exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986; and

(3) be experienced in planning and managing programs in natural gas or other petroleum exploration and production research, development, and demonstration.

(c) Proposal.—A proposal from an entity seeking to create the Research Organization shall include a detailed description of the proposed membership and structure of the Research Organization.

(d) Functions.—The Research Organization shall—

(1) award grants on a competitive basis to qualified—

(A) research institutions;

(B) institutions of higher education;

(C) companies; and

(D) consortia formed among institutions and companies described in subparagraphs (A) through (C) for the purpose of conducting research, development, and demonstration of unconventional and ultra-deepwater natural gas or other petroleum exploration and production technologies; and

(2) require the grantee to comply with the requirements of this subtitle and serve the purposes for which the grant was made.

SEC. 2447. GRANTS.

(a) Selection of Recipients.—The Research Organization shall award grants for research, development, and demonstration of technologies to maximize the value of the Government’s natural gas and other petroleum resources in unconventional reservoirs, and to develop technology to increase the supply of natural gas and other petroleum resources by lowering the cost and improving the efficiency of exploration and production of unconventional reservoirs.

(b) Purposes of Grants.—The Research Organization shall award grants to—

(1) increase the supply of natural gas and other petroleum resources by lowering the cost and improving the efficiency of exploration and production of ultra-deepwater reservoirs; and

(2) improve safety and minimize the environmental impacts of ultra-deepwater development.

(c) Appointment of Research Organization.—The Research Organization shall—

(1) award grants on a competitive basis to qualified—

(A) research institutions;

(B) institutions of higher education;

(C) companies; and

(D) consortia formed among institutions and companies described in subparagraphs (A) through (C) for the purpose of conducting research, development, and demonstration of technologies to develop safety and minimizing environmental impacts.

(2) ULTRA-DEEPWATER.—The Research Organization shall award grants for research, development, and demonstration of natural gas or other petroleum exploration and production technologies, including—

(A) the supply of natural gas and other petroleum resources by lowering the cost and improving the efficiency of exploration and production of ultra-deepwater reservoirs; and

(B) the supply of natural gas and other petroleum resources by lowering the cost and improving the efficiency of exploration and production of ultra-deepwater reservoirs.

(b) Conditions for Grants.—Grants provided under this section shall contain the following conditions—

(1) that the grant recipient consists of more than one entity, the recipient shall provide a signed contract agreed to by all participating member[s] regarding intellectual property rights and for future inventions conceived and developed using funds provided under the grant, in a manner that is consistent with applicable laws.

(2) that there shall be a repayment schedule for Federal dollars provided for demonstration projects under the grant in the event of a successful commercialization of the demonstrated technology. Such repayment may be made to the Secretary with the express intent that these payments not impede the adoption of the demonstrated technology in the market, but if such impediment occurs due to market forces or other factors, the Research Organization shall renegotiate the grant agreement to ensure that the acceptance of the technology in the marketplace is enabled.

(c) Applications for grants for demonstration projects shall clearly state the intended commercial applications of the technology demonstrated.

(d) The total amount of funds made available under a grant provided under subsection (a)(3) shall not exceed 50 percent of the cost of the activities for which the grant is provided.

(e) The total amount of funds made available under a grant provided under subsection (a)(3) shall not exceed 50 percent of the total cost of the activities covered by the grant, except that the Research Organization may elect to provide grants covering a higher percentage, not to exceed 90 percent, of total project costs in the case of grants made solely to independent producers.

(f) An application for funds provided under a grant shall be used for the broad dissemination of technologies developed under the grant to interested institutions and companies, and appropriate federal and state technology entities to ensure the greatest possible benefits for the public and use of government resources.

(g) The total amount of funds made available under grants provided under subsection (a)(3) shall not exceed 50 percent of the cost of the activities for which the grant is provided.

(h) The total amount of funds made available under a grant provided under subsection (a)(3) shall not exceed 50 percent of the total cost of the activities covered by the grant, except that the Research Organization may elect to provide grants covering a higher percentage, not to exceed 90 percent, of total project costs in the case of grants made solely to independent producers.

(i) An application for funds provided under a grant shall be used for the broad dissemination of technologies developed under the grant to interested institutions and companies, and appropriate federal and state technology entities to ensure the greatest possible benefits for the public and use of government resources.

(j) Grants provided under subsection (a)(3) shall not exceed 50 percent of the total cost of the activities covered by the grant.

(k) Disapproval.—If the Secretary does not approve the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(l) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval and shall make all reasonable efforts to work with the Research Organization to ensure that the plan is acceptable to the Secretary. The Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(m) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(n) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(o) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(p) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(q) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(r) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(s) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(t) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(u) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(v) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(w) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(x) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(y) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.

(z) Reconsideration.—If the Secretary disapproves the plan, the Secretary shall notify the Research Organization of the disapproval within 30 days after receiving the proposal. The Secretary shall notify the Research Organization of the disapproval within 15 days after the Secretary determines that the Research Organization has not met the requirements of this Act.
Subtitle D—Fuel Cells
SEC. 2461. FUEL CELLS.
(a) In general.—The Secretary shall conduct a program of research, development, demonstration, and commercial application on fuel cells. The program shall address—
(1) Advanced Research;
(2) Systems Development;
(3) Vision 21-Hybrids; and
(4) Innovative Concepts.
(b) MANUFACTURING PRODUCTION AND PROCESSES.—In addition to the program under subsection (a), the Secretary may consult with other Federal agencies, as appropriate, shall establish a program for the demonstration of fuel cell technologies, including fuel cell proton exchange membrane technology, for commercial, residential, and transportation applications. The program shall specifically focus on promoting the application of and improved manufacturing production and processes for fuel cell technologies.
(c) AUTHORIZATION OF APPROPRIATIONS.—Within the amounts authorized to be appropriated under section 2481(a), there are authorized to be appropriated to the Secretary for the purpose of carrying out subsection (b), $28,000,000 for each of fiscal years 2002 through 2006.

Subtitle E—Department of Energy Authorization of Appropriations
SEC. 2481. AUTHORIZATION OF APPROPRIATIONS.
(a) OPERATION AND MAINTENANCE.—There are authorized to be appropriated to the Secretary for operation and maintenance for subtitle B and subtitle D, and for Fossil Energy Research and Development, Department of Energy, the following sums in each of the fiscal years 2002 through 2006:
(1) $526,000,000 for research and development;
(2) $181,000,000 for fossil energy research;
(3) $255,000,000 for fossil energy development;
(4) $282,000,000 for fossil energy programs.
(b) LIMITS ON USE OF FUNDS.
(1) Gas Hydrates.
(2) Fossil Energy Environmental Restoration;
(3) research, development, demonstration, and commercial application on coal and related activities including activities under subtitle A.

TITLE V—SCIENCE
Subtitle A—Fusion Energy Sciences
SEC. 2501. SHORT TITLE.
This subtitle may be cited as the “Fusion Energy Sciences Authorization Act of 2001”.
SEC. 2502. FINDINGS.
The Congress finds that—
(1) economic prosperity is closely linked to an affordable and ample energy supply;
(2) environmental quality is closely linked to energy production and use;
(3) population, worldwide economic development, and the improvement of the environment are all expected to increase substantially in the coming decades;
(4) the few energy options with the potential to meet economic and environmental needs for the long-term future should be pursued as part of a balanced national energy plan;
(5) fusion energy is an attractive long-term energy source because of the virtually inexhaustible supply of fuel, and the promise of minimal adverse environmental impact and inherent safety;
(6) the National Research Council, the President’s Committee of Advisers on Science and Technology, and the Secretary of Energy have each reviewed the Fusion Energy Sciences Program and each strongly supports the fundamental science and creative innovation of the program, and has confirmed that progress toward the goal of producing practical fusion energy has been excellent, although much scientific and engineering work remains to be done;
(7) each of these reviews stressed the need for a magnetic fusion burning plasma experiment to address issues as a necessary step in the development of fusion energy;
(8) the National Research Council has also called for establishment of the Fusion Energy Sciences Program research base as a means to more fully integrate the fusion science community into the broader scientific community; and
(9) the Fusion Energy Sciences Program budget is inadequate to support the necessary science and innovation for the present generation of experiments, and cannot accommodate the cost of a burning plasma experiment constructed by the United States, or even the cost of key participation by the United States in an international effort.
SEC. 2503. PLAN FOR FUSION EXPERIMENT.
(a) PLAN FOR UNITED STATES FUSION EXPERIMENT.—The Secretary, on the basis of full consultation with the Fusion Energy Sciences Advisory Committee and the Secretary of Energy Advisory Board, as appropriate, shall develop a plan for the United States construction of a burning plasma burning plasma experiment for the purpose of accelerating scientific understanding of fusion plasmas. The Secretary shall request a review of the plan by the National Academy of Sciences, and shall transmit the plan and the review to the Congress by July 1, 2004.
(b) REQUIREMENTS OF PLAN.—The plan described in subsection (a) shall—
(1) address key burning plasma physics issues; and
(2) include specific information on the scientific capabilities of the proposed experiment, the relevance of these capabilities to the goal of practical fusion energy, and the overall design of the experiment including its estimated cost and potential construction sites.
(c) UNITED STATES PARTICIPATION IN AN INTERNATIONAL EXPERIMENT.—In addition to the plan described in subsection (a), the Secretary, on the basis of full consultation with the Fusion Energy Sciences Advisory Committee and the Secretary of Energy Advisory Board, as appropriate, shall also develop a plan for United States participation in an international burning plasma experiment for the same purpose, whose construction is found to be highly likely and where United States participation is cost effective relative to the cost and scientific benefits of a domestic experiment described in subsection (a). If the Secretary elects to develop a plan under this subsection, he shall include the information described in subsection (b), and an estimate of the cost of United States participation in such an international experiment. The Secretary shall request a review by the National Academies of Sciences and Engineering of a plan developed under this subsection, and shall transmit the plan and the review to the Congress not later than July 1, 2004.
(d) AUTHORIZATION OF RESEARCH AND DEVELOPMENT.—The Secretary, through the Fusion Energy Sciences Program, may conduct any research and development necessary to fully develop the plans described in this section.
SEC. 2504. PLAN FOR FUSION ENERGY SCIENCES PROGRAM.
Not later than 6 months after the date of the enactment of this Act, the Secretary, in full consultation with FESAC, shall develop and transmit to the Congress a plan for the purpose of ensuring a strong scientific base for the Fusion Energy Sciences Program and to enable the experiments described in section 2503. Such plan shall include as its objectives—
(1) to ensure that existing fusion research facilities and equipment are more fully utilized with appropriate measurements and control tools;
(2) to ensure a strengthened fusion science theory and computational base;
(3) to ensure that the selection of and funding for new magnetic and inertial fusion research facilities is based on scientific innovation and cost effectiveness;
(4) to improve the communication of scientific results and methods between the fusion science community and the wider scientific community;
(5) to ensure that adequate support is provided to optimize the design of the magnetic fusion burning plasma experiments referred to in section 2503; and
(6) to ensure that inertial confinement fusion facilities are utilized to the extent practicable for the purpose of inertial fusion energy research and development and to develop a roadmap for a fusion-based energy source that shows the important scientific questions, the evolution of confinement configurations, the relation between these two features, and their relation to the fusion energy goal;
(7) to establish several new centers of excellence, selected through a competitive peer-review process and devoted to exploring the frontiers of fusion science;
(8) to ensure that the National Science Foundation, and other agencies, as appropriate, play a role in charting the reach of fusion science and in sponsoring general plasma science; and
(9) to ensure that there be continuing broad assessments of the outlook for fusion energy and periodic external reviews of fusion energy sciences.
SEC. 2505. AUTHORIZATION OF APPROPRIATIONS.
There are authorized to be appropriated to the Secretary for the development and review, but not for implementation, of the plans described in this subtitle and for activities of the Fusion Energy Sciences Program $200,000,000 for fiscal year 2002 and $335,000,000 for fiscal year 2003, of which up to $15,000,000 for each of fiscal years 2002 and 2003 may be used to establish several new centers of excellence, selected through a competitive peer-review process and devoted to exploring the frontiers of fusion science.

Subtitle B—Spallation Neutron Source
SEC. 2521. DEFINITION.
For the purposes of this subtitle, the term “Spallation Neutron Source” means Department Project 99-E-384, Oak Ridge National Laboratory, Oak Ridge, Tennessee.
SEC. 2522. AUTHORIZATION OF APPROPRIATIONS.
(a) AUTHORIZATION OF CONSTRUCTION FUNDING.—There are authorized to be appropriated to the Secretary for construction of the Spallation Neutron Source—
(1) $275,000,000 for fiscal year 2002;
(2) $210,571,000 for fiscal year 2003;
(3) $124,600,000 for fiscal year 2004;
(4) $79,800,000 for fiscal year 2005; and
(5) $41,100,000 for fiscal year 2006 for completion of construction.
(b) AUTHORIZATION OF OTHER PROJECT FUNDING.—There are authorized to be appropriated to the Secretary for other project costs (including research and development necessary to complete the project, operations costs, and capital equipment not related to construction) of the Spallation Neutron Source $15,353,000 for fiscal year 2002 and 103,279,000 for the period ending September 30, 2006.
SEC. 2532. REPORT.

The Secretary shall report on the Spallation Neutron Source as part of the Department’s annual budget submission, including a description of the achievement of milestones, a comparison of actual costs to estimated costs, and any changes in estimated project costs or schedule.

SEC. 2532. LIMITATIONS.

The total amount obligated by the Department, including prior year appropriations, for the Spallation Neutron Source may not exceed—

(1) $1,192,700,000 for costs of construction; and

(2) $2,111,000,000 for other project costs; and

(3) $1,117,000,000 for total project costs.

Subtitle C—Facilities, Infrastructure, and User Facilities

SEC. 2541. DEFINITION.

For purposes of this subtitle—

(1) the term “nonmilitary energy laboratory” means—

(A) Ames Laboratory;

(B) Argonne National Laboratory;

(C) Brookhaven National Laboratory;

(D) Fermi National Accelerator Laboratory;

(E) Lawrence Berkeley National Laboratory;

(F) Oak Ridge National Laboratory;

(G) Pacific Northwest National Laboratory;

(H) Princeton Plasma Physics Laboratory;

(I) Stanford Linear Accelerator Center;

(J) Thomas Jefferson National Accelerator Facility;

(K) any other facility of the Department that the Secretary, in consultation with the Director, Office of Science and the appropriate congressional committees, determines to be consistent with the mission of the Office of Science; and

(2) the term “user facility” means—

(A) any Office of Science facility at a non-military energy laboratory that provides special scientific and research capabilities, including technical expertise and support as appropriate, to serve the research needs of the Nation’s universities, industry, private laboratories, Federal laboratories, and others, including research institutions or individuals from other nations where reciprocal accommodations are provided to United States research institutions and individuals or where the Secretary considers such accommodation to be in the national interest; and

(B) any other Office of Science funded facility designated by the Secretary as a user facility.

SEC. 2542. FACILITY AND INFRASTRUCTURE SUPPORT FOR NONMILITARY ENERGY LABORATORIES.

(a) FACILITY POLICY.—The Secretary shall develop and implement a least-cost nonmilitary energy laboratory facility and infrastructure strategy for—

(1) maintaining existing facilities and infrastructure, as needed;

(2) closing unneeded facilities;

(3) making facility modifications; and

(4) building new facilities.

(b) PLAN.—The Secretary shall prepare a comprehensive plan for constructing future facility maintenance, making repairs, modifications, and new additions, and constructing new facilities at each nonmilitary energy laboratory. Such plan shall provide for facilities work in accordance with the following priorities:

(1) Providing for the safety and health of employees and the general public with regard to correcting existing structural, mechanical, electrical, and environmental deficiencies.

(2) Funding for the repair and rehabilitation of existing facilities to keep them in use and prevent deterioration, if feasible.

(3) Providing engineering design and construction services for those facilities that require modification or additions in order to meet the needs of new or expanded programs.

(4) RAPID RESPONSE.—

(1) TRANSMITTED.—Within 1 year after the date of the enactment of this Act, the Secretary shall prepare and transmit to the appropriate congressional committees a report containing the plan prepared under sub-section (b).

(2) CONTENTS.—For each nonmilitary energy laboratory, such report shall contain—

(A) the current priority list of proposed facilities and infrastructure projects, including cost and schedule requirements;

(B) a discussion that demonstrates the reconfiguration of its facilities and infrastructure to meet its missions and to address its long-term operational costs and return on investment;

(C) the total current budget for all facilities and infrastructure funding; and

(D) the current status of each facilities and infrastructure project compared to the original baseline cost, schedule, and scope.

(3) ADDITIONAL ELEMENTS.—The report shall also—

(A) include a plan for new facilities and facility modifications at each nonmilitary energy laboratory that will be required to meet the Department’s missions of the twenty-first century, including schedules and estimates for implementation, and including a section outlining long-term funding requirements consistent with anticipated budgets and annual authorization of appropriations;

(B) address the coordination of modernization and facility modifications among the nonmilitary energy laboratories in order to meet changing mission requirements; and

(C) provide for annual reports to the appropriate congressional committees on accomplishments, conformance to schedules, commitments, and expenditures.

SEC. 2543. USER FACILITIES.

(a) NOTICE REQUIREMENT.—When the Department makes a user facility available to universities and other potential users, or seeks input from universities and other potential users regarding significant characteristics of a user facility, the Department shall ensure broad public notice of such availability or such need for input to universities and other potential users.

(b) COMPETITION REQUIREMENT.—When the Department considers the participation of a university or other user in the establishment or operation of a user facility, the Department shall employ full and open competition in selecting such a participant.

(c) PROHIBITION.—The Department may not redesignate a user facility, as defined by section 2541(b) as something other than a user facility for avoiding the requirements of subsections (a) and (b).

Subtitle D—Advisory Panel on Office of Science

SEC. 2561. ESTABLISHMENT.

The Director of the Office of Science and Technology Policy, in consultation with the Secretary, shall establish an Advisory Panel on the Office of Science comprised of knowledgeable individuals to—

(1) address questions about the current status and the future of scientific research supported by the Office;

(2) examine alternatives to the current organization of the Office within the Department, taking into consideration existing structures for the support of scientific research in other Federal agencies and the priorities of the Office; and

(3) suggest actions to strengthen the scientific research supported by the Office that might be taken jointly by the Department and Congress.

SEC. 2562. REPORT.

Within 5 months after the date of the enactment of this Act, the Panel shall transmit its findings and recommendations in a report to the Director of the Office of Science and Technology Policy and the Secretary. The Director and the Secretary shall jointly—

(1) consider each of the Panel’s findings and recommendations, and comment on each as they consider appropriate; and

(2) transmit the Panel’s report and the comments of the Director and the Secretary on the report to the appropriate congressional committees within 9 months after the date of the enactment of this Act.

Subtitle E—Department of Energy Authorization of Appropriations

SEC. 2581. AUTHORIZATION OF APPROPRIATIONS.

(a) OPERATION AND MAINTENANCE.—Including the amounts authorized to be appropriated for fiscal year 2002 under section 2505 for Fusion Energy Sciences and under section 2522(b) for the Spallation Neutron Source, there are authorized to be appropriated to the Secretary under the Office of Science, Business Management, Industrial and Environmental Research, Basic Energy Sciences, and the Spallation Neutron Source, there are authorized to be appropriated for fiscal year 2002 to remain available until expended.

(b) RESEARCH REGARDING PRECIOUS METAL CATALYSIS.—Within the amounts authorized to be appropriated to the Secretary under section 2532(a) for fiscal year 2002 may be used to carry out research in the use of precious metals (excluding platinum, palladium, and rhodium) in catalysis, either directly through national laboratories, or through the award of grants, cooperative agreements, or contracts with public or nonprofit entities.

(c) CONSTRUCTION.—In addition to the amounts authorized to be appropriated under section 2522(a) for construction of the Spallation Neutron Source, there are authorized to be appropriated to the Secretary for—

(1) $15,400,000 for fiscal year 2002, $14,800,000 for fiscal year 2003, and $8,000,000 for fiscal year 2004 for completion of construction of Project 96-G-904, Neutrons at the Main Injector, Fermi National Accelerator Laboratory;

(2) $31,405,000 for fiscal year 2002 for completion of construction of Project 01-E-900, Laboratory for Comparative and Functional Genomics, Oak Ridge National Laboratory;

(3) $4,000,000 for fiscal year 2002, $8,000,000 for fiscal year 2003, and $2,000,000 for fiscal year 2004 for completion of construction of Project 02-SC-002, Multiprogram Energy Laboratories Infrastructure Project Engineering Design (PED), Various Locations;

(4) $3,181,000 for fiscal year 2002 for completion of construction of Project 02-SC-002, Multiprogram Energy Laboratories Infrastructure Project Engineering Design (PED), Various Locations; and

(5) $15,000,000 for fiscal year 2002 and $13,029,000 for fiscal year 2003 for completion of construction of Project MEL-001, Multiprogram Energy Laboratories, Various Locations.

(d) LIMITS ON USE OF FUNDS.—None of the funds authorized to be appropriated in subsection (c) may be used for construction at any national security laboratory as defined in section 3283(1) of the National Defense Authorization Act for Fiscal Year 2000 (50
TITLE VI—MISCELLANEOUS

Subtitle B—Other Miscellaneous Provisions for the Department of Energy

SEC. 2601. RESEARCH, DEVELOPMENT, DEMONSTRATION, AND COMMERCIAL APPLICATION OF ENERGY TECHNOLOGY PROGRAMS, PROJECTS, AND ACTIVITIES.

(a) AUTHORIZED ACTIVITIES.—Except as otherwise provided in this division, research, development, demonstration, and commercial application programs, projects, and activities for which appropriations are authorized under this division or otherwise provided in any other form of agreement available to the Secretary.

(b) AUTHORIZED AGREEMENTS.—Except as otherwise provided in this division, in carrying out research, development, demonstration, and commercial application programs, projects, and activities for which appropriations are authorized under this division, the Secretary may use, to the extent authorized by law, cooperative arrangements, cooperative research and development agreements under the Stevenson-Wyoming Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), grant, joint venture, or any other form of agreement available to the Secretary that relates to research, development, and demonstration or to commercial application of energy technology.

(c) APPLICATION OF SECTION.—This section shall not apply to any contract, cooperative arrangement, cooperative research and development agreement under the Stevenson-Wyoming Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), grant, joint venture, or any other form of agreement available to the Secretary that is in effect as of the date of the enactment of this Act.

SEC. 2602. LIMITS ON USE OF FUNDS.

(a) MANAGEMENT AND OPERATING CONTRACTS.—

(1) COMPETITIVE PROCEDURE REQUIREMENT.—None of the funds authorized to be appropriated to the Secretary by this division may be used to award a management and operating contract for a federally owned or operated nonmilitary energy laboratory of the Department unless such contract is awarded using competitive procedures.

(b) PRODUCTION OR PROVISION OF ARTICLES OR SERVICES.—None of the funds authorized to be appropriated to the Secretary by this division may be used to produce or provide articles or services for the purpose of selling the articles or services to a person outside the Federal Government, unless the Secretary determines that the production or provision of the articles or services are necessary to meet the objectives of the program, project, or activity.

(c) DEFINITION.—For purposes of this section, the term “joint venture” has the meaning given that term under section 2 of the National Cooperative Research and Production Act of 1981 (15 U.S.C. 3720c).

(d) PROTECTION OF INFORMATION.—Section 12(c)(7) of the Stevenson-Wyoming Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), grants, joint ventures, and any other form of agreement available to the Secretary may be provided to the Secretary by this division to be carried out under applicable provisions of law, contracts, cooperative agreements, cooperative research and development agreements under the Stevenson-Wyoming Technology Innovation Act of 1980 (15 U.S.C. 3701 et seq.), or any other Act under which the Secretary is authorized to carry out such programs, projects, and activities, but only to the extent the Secretary is authorized to carry out such activities under such Act.

SEC. 2603. OUTREACH.

(a) OUTREACH.—The Secretary shall ensure that each program authorized by this division includes a component to provide information, as appropriate, to manufacturers, consumers, engineers, architects, builders, energy service companies, universities, state and local governments, and other entities.

(b) GUIDELINES AND PROCEDURES.—The Secretary shall provide guidelines and procedures for the transfer of appropriate energy technologies from research through demonstration and to commercial application of energy technology programs, projects, and activities, in accordance with the technology transfer policies of the Department.

(c) CALCULATION OF AMOUNT.—In calculating the amount of the non-Federal commitment under subsection (a) or (b), the Secretary shall include personnel, services, and equipment, and other resources.

SEC. 2604. LIMITATION ON DEMONSTRATION AND COMMERCIAL APPLICATION OF ENERGY TECHNOLOGY.

Except as otherwise provided in this division, the Secretary shall provide funding for research or demonstration and commercial application of energy technology programs, projects, or activities only for technologies or processes that can be reasonably expected to yield new, measurable benefits to the cost, efficiency, or performance of the technology or process.

SEC. 2605. REPROGRAMMING.

(a) AUTHORITY.—The Secretary may use amounts appropriated under this division for a program, project, or activity other than the program, project, or activity for which such amounts were received only if—

(1) the Secretary has transmitted to the appropriate congressional committees a report described in subsection (b) and a period of 14 days has elapsed after such committees receive the report;

(2) amounts used for the program, project, or activity do not exceed 25 percent of the amount authorized for the program, project, or activity; or

(3) $250,000 more than the amount authorized for the program, project, or activity, when the program, project, or activity has been presented to, or requested of, the Congress by the Secretary.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the reasons and circumstances relied upon in support of the proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated by the Secretary pursuant to this division exceed the total amount authorized to be appropriated to the Secretary by this division.

(2) Funds appropriated to the Secretary pursuant to this division may not be used for an item for which Congress has declined to authorize funds.
SEC. 2615. NATIONAL ENERGY POLICY DEVELOPMENT GROUP MANDATED REPORTS.

(a) The Review of Energy Efficiency Renewable Energy, and Alternative Energy Research and Development Program.—In response to the recommendations of the November 29, 2001, Report of the National Energy Policy Development Group, the Secretary shall submit to Congress a report containing the results of such review and recommendations to Congress.

(b) MULTIFAMILY HOUSING MORTGAGE INSURANCE.—Section 207(c) of the National Housing Act (12 U.S.C. 171c(c)) is amended, in the second undesignated paragraph beginning after paragraph (2) (relating to solar energy systems and residential energy conservation measures), by striking “20 percent” and inserting “30 percent”.

(c) CAPACITY BUILDING FOR ENERGY CONSERVATION HOUSING MORTGAGE INSURANCE.—Section 221(k) of the National Housing Act (12 U.S.C. 171k) is amended by striking “20 percent” and inserting “30 percent”.

(d) CONSUMERS’ ENERGY RESOURCES MORE EFFICIENTLY.—Upon completion of the Office of Science and Technology Policy and the President’s Council of Advisors on Science and Technology reviewing and making recommendations on using the Nation’s energy resources more efficiently, in response to the recommendation of the May 16, 2001, Report of the National Energy Policy Development Group, the Director of the Office of Science and Technology Policy shall submit a report containing the results of such review and recommendations to the appropriate congressional committees.

SEC. 2616. PERIODIC REVIEWS AND ASSESSMENTS.

The Secretary shall enter into appropriate arrangements with the National Academies of Sciences and Engineering to ensure that there be periodic reviews and assessments of the programs established under this title, as well as the measurable cost and performance-based goals for such programs as established under section 204, and the progress on meeting such goals. Such reviews and assessments shall be conducted at least every 5 years, or more often as the Secretary considers necessary, and the Secretary shall transmit to the appropriate congressional committees reports containing the results of such reviews and assessments.

DIVISION D

SEC. 4101. CAPACITY BUILDING FOR ENERGY-EFFICIENT MULTIFAMILY HOUSING.

Section 4(b) of the HUD Demonstration Act of 1993 (42 U.S.C. 3616) is amended—

(1) by inserting “or efficiency” after “energy conservation”;

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

(3) by inserting “before the period at the end the following “:”, including capabilities regarding the provision of energy efficient, affordable housing and residential energy conservation measures”; and

(4) by striking paragraph (2), by inserting before the semicolon the following: “, including such activities relating to the provision of energy efficient, affordable housing and residential energy conservation measures that benefit low-income families”.

SEC. 4102. INCREASE OF CDBG PUBLIC SERVICES COST LIMITATION FOR ENERGY CONSERVATION AND EFFICIENCY ACTIVITIES.

Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended—

(a) by inserting “or efficiency” after “energy conservation”;

(b) by striking “; and” and inserting “; and”;

(c) by inserting “before the period at the end the following “:”, and inserting “; and”;

(d) by striking paragraph (2), by inserting before the semicolon the following: “, including such activities relating to the provision of energy efficient, affordable housing and residential energy conservation measures that benefit low-income families”.

SEC. 4103. FHA MORTGAGE INSURANCE INCENTIVES FOR ENERGY EFFICIENT HOUSING.

(a) SINGLE FAMILY HOUSING MORTGAGE INSURANCE.—Section 203(b)(2) of the National Housing Act (12 U.S.C. 1701u(b)(2)) is amended, in the first undesignated paragraph beginning after subparagraph (B)(iii) (relating to solar energy systems)—

(1) by inserting the following: “in paragraph 10 (”, and inserting “20 percent” and inserting “30 percent”.

(b) MULTIFAMILY HOUSING MORTGAGE INSURANCE.—Section 207(c) of the National Housing Act (12 U.S.C. 171c(c)) is amended, in the second undesignated paragraph beginning after paragraph (2) (relating to solar energy systems and residential energy conservation measures), by striking “20 percent” and inserting “30 percent”.

(c) CONDOMINIUM HOUSING MORTGAGE INSURANCE.—Section 221(k) of the National Housing Act (12 U.S.C. 171k) is amended by striking “20 percent” and inserting “30 percent”.

(d) ELDERLY HOUSING MORTGAGE INSURANCE.—Section 223 of the National Housing Act (12 U.S.C. 171d(e)) is amended by striking “20 percent” and inserting “30 percent”.

(e) Low-Income Multifamily Housing Mortgage Insurance.—Section 221(k) of the National Housing Act (12 U.S.C. 171k) is amended by striking “20 percent” and inserting “30 percent”.

SEC. 4104. PUBLIC HOUSING CAPITAL FUND.

Section 9(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1)) is amended—

(1) in subparagraph (I), by striking “and” at the end;

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

(3) by adding at the end the following new subparagraph:

“(l) Improvement of energy and water-use efficiency by installing fixtures and fittings that conform to the American Society of Mechanical Engineers/American National Standards Institute and American Free Trade Agreement Implementing Agreement for Energy Efficiency and Water Conservation by such other means as the Secretary determines are appropriate.’.”

SEC. 4105. GRANTS FOR ENERGY-CONSERVING IMPROVEMENTS FOR ASSISTED HOUSING.

Section 251(b)(1) of the National Energy Conservation Policy Act (42 U.S.C. 8221(1)) is amended—

(1) by striking “financed with loans” and inserting “assisted”;

(2) by inserting after “1998,” the following: “which are eligible multifamily housing projects as such term is defined in section 512 of the Multifamily Assistance Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f) and are subject to a mortgage restructuring and rental assistance sufficiency plans under such Act.”;

(3) by inserting after the period at the end of the first sentence the following new sentence: “Such improvements may also include the installation of energy and water conservation fixtures and fittings that conform to the American Society of Mechanical Engineers/American National Standards Institute standards (A112.19.2-1996 and A112.18.1-2000, or any revision thereof, applicable at the time of installation).”;

SEC. 4106. NORTH AMERICAN DEVELOPMENT BANK.

Part 2 of subtitle D of title V of the North American Free Trade Agreement Implementation Act (22 U.S.C. 2906) is amended by adding at the end the following:
SEC. 5000. SHORT TITLE.
This division may be cited as the “Clean Coal Power Initiative Act of 2001.”

SEC. 5001. FINDINGS.
Congress finds that—
(1) reliable, affordable, increasingly clean electricity will continue to power the growing United States economy;
(2) an increasing use of electrotechnologies, the desire for continuous environmental improvement, a more competitive electricity market, and concerns about rising energy prices add importance to the need for reliable, affordable, increasingly clean electricity;
(3) coal, which, as of the date of the enactment of this Act, provided for more than 40 percent of all electricity generated in the United States, is the most abundant fossil energy resource of the United States;
(4) more than 85 percent of all fossil resources in the United States and exists in quantities sufficient to supply the United States for 250 years at current usage rates;
(5) investments in electricity generating facility emissions control technology over the past 30 years have reduced the aggregate emissions of pollutants from coal-based generating facilities by 21 percent, even as coal use for electricity generation has nearly tripled;
(6) continuous improvement in efficiency and environmental performance from electricity generating facilities would allow continued use of coal and preserve less abundant energy resources for other energy uses;
(7) new ways to convert coal into electric can effectively eliminate health-threatening emissions and improve efficiency, and deployment of new coal generation methods and equipment entails significant risk that generators may be unable to accept in a newly emerging electricity market; and
(8) continued environmental improvement in coal-based generation and increasing the production and supply of power generation facilities that use coal as the primary energy source and high efficiency and performing facilities that meet the requirements of subsections (a), (b), and (c) and are likely to be solicited and evaluated, including gasification combined cycle, gasification co-production of hydrogen and electricity generating facilities that use coal as the primary energy source, and high efficiency and performing facilities that meet the requirements of subsections (a), (b), and (c) and are likely to be solicited and evaluated, including gasification combined cycle, gasification co-production of hydrogen and electricity generating facilities that use coal as the primary energy source.

SEC. 5002. DEFINITIONS.
In this division—
(1) COST AND PERFORMANCE GOALS.—The term “cost and performance goals” means the cost and performance goals established under section 5003.
(2) SECRETARY.—The term “Secretary” means the Secretary of Energy.

SEC. 5003. CLEAN COAL POWER INITIATIVE.
(a) IN GENERAL.—The Secretary shall carry out a program under—
(1) this division;
(2) the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901 et seq.); and
(3) the Energy Reorganization Act of 1974 (42 U.S.C. 5801 et seq.);
and
(b) TECHNICAL CRITERIA FOR CLEAN COAL PROJECTS.
(1) GASEIFICATION.—(A) In allocating the funds authorized under section 5003(a), the Secretary shall ensure that at least 80 percent of the funds are allocated on coal-based gasification technologies, including gasification combined cycle, gasification fuel cells, gasification coproduction and hybrid gasification technologies.
(2) The Secretary shall set technical milestones specifying emissions levels that coal gasification projects must be designed to and expected to achieve. The milestones shall get more restrictive through the life of the program. The milestones shall be designed to achieve by 2020 coal gasification projects able—
(1) to remove 99 percent of sulfur dioxide;
(2) to emit no more than .05 lbs of NOx per million BTU;
(3) to achieve substantial reductions in mercury emissions; and
(4) to achieve a thermal efficiency of 60 percent (higher heating value).
(b) OTHER PROJECTS.—For projects not described in paragraph (1), the Secretary shall set technical milestones specifying emissions levels that the projects must be designed to and expected to achieve. The milestones shall get more restrictive through the life of the program. The milestones shall be designed to achieve by 2020 coal projects able—
(1) to remove 97 percent of sulfur dioxide;
(2) to emit no more than .08 lbs of NOx per million BTU;
(3) to achieve substantial reductions in mercury emissions; and
(4) to achieve a thermal efficiency of 45 percent (higher heating value).
(c) FINANCIAL CRITERIA.—The Secretary shall provide financial assistance to projects that meet the requirements of subsections (a), (b), and (c) and are likely to—
(1) achieve overall cost reductions in the utilization of coal to generate useful forms of energy;
(2) improve the competitiveness of coal among various forms of energy that are required to maintain a diversity of fuel choices in the United States to meet electricity generation requirements; and
(3) demonstrate methods and equipment that are applicable to 25 percent of the electricity generating facilities that use coal as the primary feedstock as of the date of the enactment of this Act.
(d) FEDERAL SHARE.—The Federal share of the cost of a coal or related technology project funded by the Secretary shall not exceed 50 percent.
(e) APPLICABILITY.—(i) The Secretary shall not provide funding under this division for any project that does not advance efficiency, environmental performance, and cost competitiveness well beyond the level of technologies that are in operation or have been demonstrated as of the date of the enactment of this Act.
(ii) The Secretary shall ensure that at least 80 percent of the funds are allocated on coal-based gasification technologies, including gasification combined cycle, gasification fuel cells, gasification coproduction and hybrid gasification technologies.
any determination under the Clean Air Act in applying the provisions of that Act to a facility not receiving assistance under this title, including any determination concerning an adverse impact on the environment. The Secretary, in cooperation with other appropriate Federal agencies, shall transmit to the Committee on Energy and Commerce and the Committee on Science of the House of Representatives, and to the Senate, a report containing the results of a study to—

(1) identify efforts (and the costs and periods of time associated with those efforts) that, by themselves or in combination with other efforts, may be capable of achieving the cost and performance goals;

(2) develop recommendations for the Department of Energy to promote the efforts identified under paragraph (1); and

(3) develop recommendations for additional authorizations of the Department of Energy to achieve the cost and performance goals.

(b) EXPERT ADVICE.—In carrying out this section, the Secretary shall give due weight to the advice of representatives of the entities described in section 5004(b).

SEC. 5008. CLEAN COAL CENTERS OF EXCELLENCE.

As part of the program authorized in section 5003, the Secretary shall award competitive, merit-based grants to universities for the establishment of Centers of Excellence for Energy and Natural Resources for the purposes of—

(a) advancing new clean coal technologies.

(b) providing competitive, merit-based grants to universities for research projects to encourage new clean coal technologies.

(c) providing competitive, merit-based grants to universities for research projects to encourage new clean coal technologies.

SEC. 5009. EXAMINATION OF RESTRICTIONS AND IMPEDEMENTS TO ENERGY SUPPLY AND SECURITY.

(a) IN GENERAL.—The Secretary of Energy, shall conduct an inventory of the energy production potential of all Federal public lands other than national park lands and lands in any wilderness area, with respect to wind, solar, coal, and geothermal power production.

(b) LIMITATIONS.—

(1) IN GENERAL.—The Secretary shall not identify in the inventory under this section the matters to be identified in the inventory under section 601 of the Energy Act of 2000 (43 U.S.C. 2617).

(2) WIND AND SOLAR POWER.—The inventory under this section—

(A) with respect to wind power production shall be limited to sites having a mean average wind speed of—

(i) exceeding 12.5 miles per hour at a height of 33 feet; and

(ii) exceeding 15.7 miles per hour at a height of 164 feet; and

(B) with respect to solar power production shall be limited to areas rated as receiving 450 watts per square meter or greater.

(c) COMPLETION AND UPDATING.—The Secretary—

(1) shall complete the inventory by not later than 2 years after the date of enactment of this Act; and

(2) shall update the inventory regularly thereafter.

(d) REPORTS.—The Secretary shall submit to the Committee on Resources of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate and make publicly available—

(1) a report containing the inventory under this section, by not later than 2 years after the effective date of this section; and

(2) each update of such inventory.

SEC. 6103. REVIEW OF REGULATIONS TO ELIMINATE BARRIERS TO EMERGING ENERGY TECHNOLOGY.

(a) IN GENERAL.—Each Federal agency shall carry out a review of its regulations and standards that act as a barrier to market entry for emerging energy-efficient technologies, including fuel cells, combined heat and power, and distributed generation (including small-scale renewable energy).

(b) REPORT TO CONGRESS.—No later than 18 months after the date of enactment of this Act, each agency shall provide a report to the Congress and the President detailing all regulatory barriers to emerging energy-efficient technologies, along with actions the agency took or, has taken, to remove such barriers.

(c) PERIODIC REVIEW.—Each agency shall subsequently review its regulations and standards in this manner no less frequently than every 5 years, and report their findings to the Congress and the President. Such reviews shall include a detailed analysis of all agency actions taken to remove existing barriers to emerging energy technologies.

SEC. 6104. INTERAGENCY AGREEMENT ON ENVIRONMENTAL REVIEW OF INTERSTATE NATURAL GAS PIPELINE PROJECTS.

(a) IN GENERAL.—The Secretary of Energy, in coordination with the Federal Energy Regulatory Commission, shall establish an administrative interagency task force to develop an interagency agreement to expedite and facilitate the environmental review and permitting of interstate natural gas pipeline projects.

(b) TASK FORCE MEMBERS.—The task force shall include a representative of each of the Bureau of Land Management, the United States Fish and Wildlife Service, the Army Corps of Engineers, the Environmental Protection Agency, the Advisory Council on Historic Preservation, and such other agencies as the Secretary of Energy, the Federal Energy Regulatory Commission and the Advisory Council on Historic Preservation consider appropriate.

(c) TERMS OF AGREEMENT.—The interagency agreement shall require that agencies complete their review of interstate pipeline projects within a specific period of time after referral of the matter by the Federal Energy Regulatory Commission.

(d) IMPLEMENTATION.—The Secretary of Energy shall submit a final interagency agreement under this section to the Congress by not later than 6 months after the effective date of this section.

SEC. 6105. ENHANCING ENERGY EFFICIENCY IN MANAGEMENT OF FEDERAL LANDS.

(a) SENSE OF THE CONGRESS.—It is the sense of Congress that Federal land managing agencies should enhance the use of energy efficient technologies in the management of natural resources.

(b) ENERGY EFFICIENT BUILDINGS.—To the extent economically practicable, the Secretary of the Interior shall seek to incorporate energy efficient technologies in public and administrative buildings associated with management of the National Park System, National Wildlife Refuge System, National Forest System, and other public lands and resources managed by such Secretaries.

(c) ENERGY EFFICIENT VEHICLES.—To the extent economically practicable, the Secretary of the Interior shall take a study of the location and extent of anticipated demand growth for natural gas consumption in the Western States, herein defined as the area covered by the Western States Fish and Wildlife Service, the Army Corps of Engineers, the Forest Service, the Bureau of Land Management, the United States Fish and Wildlife Service, the Army Corps of Engineers, the National Park Service, the Western States Fish and Wildlife Service, and other public lands and managed by the Secretaries.

SEC. 6106. EFFICIENT INFRASTRUCTURE DEVELOPMENT.

(a) IN GENERAL.—The Secretary of Energy and the Chairman of the Federal Energy Regulatory Commission shall, under take a study of the location and extent of anticipated demand growth for natural gas consumption in the Western States, herein defined as the area covered by the Western States Fish and Wildlife Service, and the geographic distribution of that forecasted demand.

(b) A review of the locations and capacity of intrastate natural gas transmission pipelines, and interstate natural gas pipelines currently in the planning stage or approval process in the Western States and the potential impact on natural gas demand.

(c) A review of the locations of existing interstate natural gas transmission pipelines, and intrastate natural gas pipelines currently in the planning stage or approval process in the Western States.

(d) Recommendations for the coordination of the development of the natural gas infrastructure indicated in paragraphs (1) through (4).
the Committee on Energy and Commerce of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate no later than 6 months after the date of the enactment of this Act.

Chairman of the Federal Energy Regulatory Commission shall report on how the Commission used these results in its review of applications of interstate pipelines within the Western States to the Committee on Energy and Commerce of the House of Representatives and the Committee on Energy and Natural Resources of the Senate no later than 6 months after the date of the enactment of this Act.

TITLE II—OIL AND GAS DEVELOPMENT

SEC. 6201. SHORT TITLE.

This subtitle may be referred to as the “Royalty Relief Extension Act of 2001”.

SEC. 6202. LEASE SALES IN EASTERN AND CENTRAL PLANNING AREA OF THE GULF OF MEXICO.

(a) IN GENERAL.—For all tracts located in water depths of 200 meters or more in the Western and Central Planning Area of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, any oil or gas lease sale under the Outer Continental Shelf Lands Act (30 U.S.C. 1331) within 2 years after the date of the enactment of this Act shall use the bidding system authorized in section 8(a)(1)(A) of the Outer Continental Shelf Lands Act (30 U.S.C. 1331(b)(1)), except that the suspension of royalties shall be set at a volume of not less than the following:

(1) 6 million barrels of oil equivalent for each lease in water depths of 400 to 800 meters.

(2) 9 million barrels of oil equivalent for each lease in water depths of 800 to 1,600 meters.

(3) 12 million barrels of oil equivalent for each lease in water depths greater than 1,600 meters.

(b) RELATIONSHIP TO EXISTING AUTHORITY.

Except as expressly provided in this section, nothing in this section is intended to limit the authority of the Secretary of the Interior regarding the reasons for the State restrictions identified under paragraph (1); (2) identify any differences between the Secretary’s reasons that could help to further increase oil and natural gas production from the Gulf of Mexico.

SEC. 6203. SAVINGS CLAUSE.

Nothing in this subtitle shall be construed to affect any offshore pre-leasing, leasing, or development moratorium applicable to the Eastern Planning Area of the Gulf of Mexico located off the Gulf Coast of Florida.

SEC. 6204. ANALYSIS OF GULF OF MEXICO FIELD SIZE DISTRIBUTION, INTERNATIONAL COMPETITIVENESS, AND INCENTIVES FOR DEVELOPMENT.

(a) IN GENERAL.—The Secretary of the Interior and the Secretary of Energy shall enter into appropriate arrangements with the National Petroleum Council to perform the following:

(1) Conduct an analysis and review of existing Gulf of Mexico oil and natural gas resource assessments, including—

(A) analysis and review of assessments recently performed by the Minerals Management Service of the National Petroleum Council Gas Study, the Department of Energy’s Offshore Marginal Property Study, and the Advanced Resources International, Inc. Deepwater Gulf of Mexico model; and

(B) evaluation and comparison of the accuracy of assumptions of the existing assessments with respect to resource field size distribution, hydrocarbon potential, and scenarios for leasing, exploration, and development.

(2) Evaluate the lease terms and conditions offered by the Minerals Management Service for Lease Sale 178, and compare the financial incentives offered by such terms and conditions with those offered by the terms and conditions that apply under leases for other offshore areas that are competing for the same limited offshore oil and gas exploration and development areas including offshore areas of West Africa and Brazil.

(3) Recommend what level of incentives for all water depths are appropriate in order to ensure that the Secretary optimizes the domestic supply of oil and natural gas from the offshore areas of the Gulf of Mexico that are subject to current leasing moratoria. Recommendations of this paragraph should be made in the context of the importance of the oil and natural gas resources of the Gulf of Mexico to the future energy and economic needs of the United States.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Interior shall submit a report to the Committees on the House of Representatives and the Committee on Energy and Natural Resources of the Senate summarizing the findings of the National Energy Policy Review sub-section (a) and providing recommendations of the Secretary for new policies or other actions that could help to further increase oil and natural gas production from the Gulf of Mexico.

Subtitle B—Improvements to Federal Oil and Gas Management

SEC. 6201. SHORT TITLE.

This subtitle may be cited as the “Federal Oil and Gas Lease Management Improvement Demonstration Program Act of 2001”.

SEC. 6202. STUDY OF IMPEDIMENTS TO EFFICIENT LEASING.

(a) IN GENERAL.—The Secretary of the Interior and the Secretary of Agriculture shall jointly undertake a study of the impediments to efficient oil and gas leasing and operations on Federal onshore lands in order to identify means by which unnecessary impediments to the expeditious exploration and production of oil and natural gas on such lands can be removed.

(b) CONTENTS.—The study under subsection (a) shall include—

(1) A review of the process by which Federal land managers accept or reject an offer to lease, including the timeframes in which such offers are reviewed for any delays in acting upon such offers, and any recommendations for expediting the response to such offers.

(2) A review of the approval process for applications for permits to drill, including the timeframes in which such applications are approved, the impact of compliance with other Federal laws on such timeframes, any other reasons for delays in making such approvals, and any recommendations for expediting such approvals.

(3) A review of the approval process for surface use plans of operation, including the timeframes in which such applications are approved, the impact of compliance with other Federal laws on such timeframes, any other reasons for delays in making such approvals, and any recommendations for expediting such approvals.

(4) A review of the process for administrative appeal of decisions or orders of officials or employees of the Bureau of Land Management with respect to a Federal oil or gas lease, including the timeframes in which such appeals are heard and decided, any reasons for delays in hearing or deciding such appeals, and any recommendations for expediting such appeals.

(5) A review of the process for appeals, and any recommendations for expediting such appeals.

(6) A review of the process for appeals, and any recommendations for expediting such appeals.

(7) A review of the process for appeals, and any recommendations for expediting such appeals.

(b) REPORT.—The Secretary shall submit to Congress a report on the findings and recommendations resulting from the study required by this subsection to the Committees on the House of Representatives and the Committee on Energy and Natural Resources of the Senate no later than 6 months after the date of the enactment of this Act.

SEC. 6203. ELIMINATION OF UNWARRANTED DELAYS AND STAYS.

(a) IN GENERAL.—The Secretary shall ensure that unfounded delays and stays of lease issuance and unwarranted restrictions on lease operations are eliminated from the administration of oil and natural gas leasing on Federal land.

(b) PREPARATION OF LEASING PLAN OR ANALYSIS.—In preparing a management plan of oil and gas leasing on Federal lands administered by the Bureau of Land Management or the Forest Service, the Secretary concerned shall—

(1) identify and review the restrictions on surface use and operations imposed under the laws (including regulations) of the State in which the lands are located;

(2) consult with the appropriate State agency regarding the reasons for the State restrictions identified under paragraph (1); and

(3) identify any differences between the State restrictions identified under paragraph (1) and any restrictions on surface use and operations that would apply under the lease; and

(4) prepare and provide upon request a written explanation of such differences.

(c) REJECTION OF OFFER TO LEASE.—

(1) IN GENERAL.—If the Secretary rejects an offer to lease Federal lands for oil or natural gas development on the ground that the land is unavailable for oil and natural gas leasing, the Secretary shall provide a written, detailed explanation of why the reasons underlying the previous decision are still persuasive.

(2) PREVIOUS RESOURCE MANAGEMENT DECISION.—If the determination of unavailability is based on a previous resource management decision, the explanation shall include a careful assessment of whether the reasons underlying the previous decision are still persuasive.

SEC. 6204. LIMITATION ON COST RECOVERY FOR APPLICATIONS.

Nothing in this section shall be construed to affect any offshore pre-leasing, leasing, or development moratorium applicable to the Eastern Planning Area of the Gulf of Mexico located off the Gulf Coast of Florida.

SEC. 6205. LIMITATION ON INTERNAL USE AND COST RECOVERY FOR APPLICATIONS.

If the Secretary rejects an offer to lease Federal lands for oil or natural gas development on the ground that the land is unavailable for oil and natural gas leasing, the Secretary shall provide a written, detailed explanation of why the reasons underlying the previous decision are still persuasive.

SEC. 6206. QUALIFICATION IN REVIEW APPLICATIONS.

If the Secretary rejects an offer to lease Federal lands for oil or natural gas development on the ground that the land is unavailable for oil and natural gas leasing, the Secretary shall provide a written, detailed explanation of why the reasons underlying the previous decision are still persuasive.

SEC. 6207. LIMITATION ON COST RECOVERY FOR APPLICATIONS.

If the Secretary rejects an offer to lease Federal lands for oil or natural gas development on the ground that the land is unavailable for oil and natural gas leasing, the Secretary shall provide a written, detailed explanation of why the reasons underlying the previous decision are still persuasive.

SEC. 6208. LIMITATION ON COST RECOVERY FOR APPLICATIONS.
respect to applications and other documents relating to oil and gas leases.

SEC. 6225. CONSULTATION WITH SECRETARY OF AGRICULTURE

Section 107 (8) of the Mineral Leasing Act (30 U.S.C. 226(b)) is amended to read as follows:

"(b)(1) In issuing any lease on National Forest System lands reserved from the public domain, the Secretary of the Interior shall consult with the Secretary of Agriculture to determine stipulations on surface use under the lease.

“(2)(A) A lease on lands referred to in paragraph (1) may not be issued if the Secretary of Agriculture, after consultation under paragraph (1) and consultation with the Regional Forester having administrative jurisdiction over the National Forest System, determines that the terms and conditions of the lease, including any prohibitions on surface occupancy for lease operations, will not be sufficient to adequately protect such lands under the National Forest Management Act of 1976 (16 U.S.C. 1600 et seq.).

"(B) The authority of the Secretary of Agriculture under this paragraph may be delegated only to the Undersecretary of Agriculture for Natural Resources and Environment.

“(3) The Secretary of Agriculture shall include in the record of decision for a determination that is prepared by a Regional Forester consulted by the Secretary under paragraph (2)(A) regarding the determination; or

“(B) an explanation why such a statement by the Regional Forester is not included.

Subtitle C—Miscellaneous

SEC. 6231. SUBSALT EXPLORATION.

Section 5 of the Outer Continental Shelf Lands Act of 1953 (43 U.S.C. 1334) is amended by adding at the end the following:

"(d) Suspension of Operations for Subsalt Exploration.—Notwithstanding any other provision of law or regulation, to prevent waste caused by the drilling of unnecessary wells and to facilitate the discovery of additional hydrocarbon reserves, the Secretary may grant a request for a suspension of operations under any lease to allow for Offshore Resource Development studies, examination of geophysical data to identify and define drilling objectives beneath аллювиальный salt sheets.

SEC. 6232. PROGRAM ON OIL AND GAS ROYALTIES IN KIND.

(a) APPLICABILITY OF SECTION.—Notwithstanding any other provision of law, the provisions of this section shall apply to all royalty in kind accepted by the Secretary of the Interior under any Federal oil or gas lease or permit under section 36 of the Mineral Leasing Act (30 U.S.C. 192), section 27 of the Outer Continental Shelf Lands Act (43 U.S.C. 1334), or any other mineral leasing law, in the period beginning on the date of the enactment of this Act and ending on September 30, 2006.

(b) TERMS AND CONDITIONS.—All royalty accruing to the United States under any Federal or State royalty in kind lease shall be paid in oil or gas at the prevailing market price, as posted on the West Texas Intermediate index or, if such a source is not available, the prevailing market price, as quoted by the Federal agency, for the purpose of providing additional resources to any Federal low-income energy assistance program.

SEC. 6233. MARGINAL WELL PRODUCTION INCENTIVES.

To enhance the economics of marginal oil and gas production by creating a mechanism to allow the ultimate recovery from marginal wells when the cash price of West Texas Intermediate crude oil, as posted on the Dow Jones Commodities Index chart, is less than $25 per barrel for 30 consecutive pricing days or when the price of natural gas delivered at Henry Hub, Louisiana, is less than $2.00 per million British thermal units for 30 consecutive days, the Secretary shall reduce the royalty rate as production declines for—

(1) onshore oil wells producing less than 30 barrels per day;

(2) onshore gas wells producing less than 120 million British thermal units per day;

(3) offshore oil wells producing less than 300 barrels of oil per day; and

(4) offshore gas wells producing less than 1,200 million British thermal units per day.
S12206

CONGRESSIONAL RECORD — SENATE
November 29, 2001

SEC. 6234. REIMBURSEMENT FOR COSTS OF NEPA ANALYSES, DOCUMENTATION, AND STUDIES.

(a) In General.—The mineral Leasing Act (30 U.S.C. 181 et seq.) is amended by inserting after section 37 the following:

"REIMBURSEMENT FOR COSTS OF CERTAIN ANALYSES, DOCUMENTATION, AND STUDIES.

"Sec. 38. (a) In General.—The Secretary of the Interior may, through royalty credits, reimburse a person who is a lessee, operator, operator, or contractor (or other person selected by the Secretary) of any project-level analysis, documentation, or related study required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the lease.

"(b) Conditions.—The Secretary may provide reimbursement under subsection (b) only if—

"(1) adequate funding to enable the Secretary to timely prepare the analysis, documentation, or related study is not appropriated;

"(2) the person paid the costs voluntarily; and

"(3) the person maintains records of its costs and accounts with regulations prescribed by the Secretary.

(b) Application.—The amendments made by this section shall apply with respect to any lease issued on or after the date of the enactment of this Act.

(c) Deadline for Regulations.—The Secretary shall issue regulations implementing the amendments made by this section by not later than 90 days after the date of the enactment of this Act.

SEC. 6235. ENCOURAGEMENT OF STATE AND PROVINCIAL PROHIBITIONS ON OFF-SHORE DRILLING IN THE GREAT LAKES.

(a) Findings.—The Congress finds the following:

"(1) the water resources of the Great Lakes Basin are precious public natural resources, shared and held in trust by the States of Illinois, Indiana, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin, and the Canadian Province of Ontario.

"(2) the environmental dangers associated with offshore drilling in the Great Lakes for oil and gas outweigh the potential benefits of such drilling.

"(3) in accordance with the Submerged Lands Act (43 U.S.C. 1301 et seq.), each State that borders the Great Lakes has authority over the area between that State’s coastline and the boundary of Canada or another State.

"(4) the States of Illinois, Michigan, New York, Pennsylvania, and Wisconsin each have a statutory prohibition of offshore drilling in the Great Lakes for oil and gas.

"(5) the State of Indiana, Minnesota, and Wisconsin and Ohio do not have such a prohibition.

"(6) the Canadian Province of Ontario does not have such a prohibition, and drilling for and production of gas occurs in the Canadian portion of Lake Erie.

(b) Encouragement of State and Provincial Prohibitions.—The Congress encourages—

"(1) the States of Illinois, Michigan, New York, Pennsylvania, and Wisconsin to continue to prohibit offshore drilling in the Great Lakes for oil and gas;

"(2) the States of Indiana, Minnesota, and Ohio and the Canadian Province of Ontario to enact a prohibition of such drilling; and

"(3) the Secretary of the Interior to require the cessation of any such drilling and any production resulting from such drilling.

TITLE III—GEOTHERMAL ENERGY DEVELOPMENT

SEC. 6301. ROYALTY REDUCTION AND RELIEF.

(a) Royalty Reduction.—Section 5(a) of the Geothermal Steam Act of 1970 (30 U.S.C. 1004(a) is amended by striking "not less than 10 per centum or more than 15 per centum" and inserting "not more than 8 per centum".

(b) Royalty Relief.—

"(1) In General.—Notwithstanding section 5 of the Geothermal Steam Act of 1970 (30 U.S.C. 1004(a)), and any provision of any lease under that Act, no royalty is required to be paid—

"(A) under any qualified geothermal energy lease with respect to commercial production of heat or energy from a facility that begins such production in the 5-year period beginning on the date of the enactment of this Act; or

"(B) on qualified expansion geothermal energy.

"(2) 3-Year Application.—Paragraph (1) applies only to commercial production of heat or energy from a facility in the first 3 years of such production.

(c) Definitions.—In this section:

"(1) QUALIFIED EXPANSION GEOTHERMAL ENERGY.—The term "qualified expansion geothermal energy" means geothermal energy produced from a generation facility for which the rated capacity is increased by more than 10 percent as a result of the expansion included in the expansion facility on the date of the enactment of this Act; and

"(2) EXPANSION.—In this section:

"(A) any written statement regarding the determination under paragraph (2)(A) that was executed before the end of the 5-year period beginning on the date of the enactment of this Act; and

"(B) does not include the rated capacity of the generation facility on the date of the enactment of this Act.

SEC. 6302. AMENDMENTS RELATING TO LEASING.

(a) Geothermal Lease.—The Geothermal Steam Act of 1970 is amended—

"(1) in section 15(b) (30 U.S.C. 1014(b)—

"(A) by inserting "("b")"; and

"(B) in paragraph (1) (as designated by subparagraph (A) of this paragraph) in the first sentence—

"(i) striking "with the consent of", and

"(ii) inserting "after consultation with the Secretary of Agriculture and"; and

"(b) by striking "the head of that Department" and inserting "the Secretary of Agriculture".

"(b) Conforming Amendment.—Section 2(a) of the Geothermal Steam Act of 1970 (30 U.S.C. 1003 et seq.) is amended by—

"(1) inserting "for the period beginning on the date of the enactment of this Act; and

"(2) by adding at the end the following:

"(CA) A geothermal lease for lands withdrawn or acquired in aid of functions of the Department of Agriculture may not be issued if the Secretary of Agriculture, after the consultation required by subparagraph (B) having administered jurisdiction over the lands concerned, determines that no terms or conditions, including a prohibition on surface occupancy for lease, would be sufficient to adequately protect such lands under the National Forest Management Act of 1976 (16 U.S.C. 1600 et seq.), and

"(b) by inserting "the Secretary of Agriculture" in the first sentence of subparagraph (A) and inserting the word "Public" before the word "Secretary" in the second sentence of subparagraph (A)

"(3) the Secretary of Agriculture shall include in the record of decision for a determination that is prepared by a Regional Forester consulted by the Secretary under paragraph (2)(A) regarding the determination—

"(A) any written statement regarding the determination that is prepared by a Regional Forester consulted by the Secretary under paragraph (2)(A) regarding the determination;

"(B) an explanation why such a statement by the Regional Forester is not included.

SEC. 6304. DEADLINE FOR Issuance OF PENDING NONCOMPETITIVE LEASE APPLICATIONS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of the Interior shall, with respect to each application pending on the date of the enactment of this Act for lease under the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) issue a final determination of—

"(1) whether or not to conduct a lease sale by competitive bidding; and

"(2) whether or not to award a lease without competitive bidding.

SEC. 6305. OPENING OF PUBLIC LANDS UNDER FIXED RENTAL LEASES.

(a) In General.—Except as otherwise provided in the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) and other provisions of Federal law applicable to development of geothermal energy resources within public lands, all public lands under the jurisdiction of a Secretary of a military department shall be open to the operation of such laws and development and utilization of geothermal steam and associated geothermal resources, as that term is defined in section 2 of the Geothermal Steam Act of 1970 (30 U.S.C. 1001), without the necessity for further action by the Secretary or the Congress.
poses incident to geothermal energy suant to this section may be used for pur-
cos in accordance with regulations pre-
ized by such terms.

(d) REGULATIONS.—The Secretary of the In-
terior, in consultation with appropriate agencies of the military department concerned, shall prescribe such regulations to carry out this section as may be nec-
ecessay. Such regulations shall contain stan-
dard lines to assist in determining how much, if
any, of the surface of any lands opened pur-
poses to this section may be used for pur-

(e) CLOSURE FOR PURPOSES OF NATIONAL DEFENSE OR SECURITY.—In the event of a na-
tional emergency or for purposes of national defense or security, the Secretary of the In-
terior, at the request of the Secretary of the military department concerned, shall close any lands that have been opened to geo-

thermal energy resources leasing pursuant to this section.

SEC. 6308. APPLICATION OF AMENDMENTS.

The amendments made by this title apply with respect to any lease executed before, on, or after the date of the enactment of this Act.

SEC. 6309. REVIEW AND REPORT TO CONGRESS.

The Secretary of the Interior shall promptly review and report to the Congress regard-
ing the results of the data originating in withdrawals from leasing under the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.), of known geothermal resources areas (as that term is defined in section 2 of that Act (30 U.S.C. 1001)), specifying for each such area whether the basis for such moratoria or withdrawal still applies.

SEC. 6309. REIMBURSEMENT FOR COSTS OF NEPA ANALYSES, DOCUMENTATION, AND STUDIES.

(a) In General.—The Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) is amended by adding at the end the following:

"REIMBURSEMENT FOR COSTS OF CERTAIN ANALYSES, DOCUMENTATION, AND STUDIES "SEC. 6309. The Secretary of the Interior may, through royalty credits, reimburse a person who is a lessee, operator, operating rights owner, or applicant for a lease under this Act for amounts paid by the person for preparation by the Secretary (or a contractor or other person selected by the Secretary) of any project-level analysis, documenta-
tion, or related study under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to the lease.

"(b) CONDITIONS.—The Secretary shall provide reimbursement under subsection (a) only if—

(1) adequate funding is available to enable the Secretary to timely prepare the analysis, documenta-
tion, or related study; and

(2) the person paid the costs voluntarily; and

(3) the person maintains records of its costs in accordance with regulations pre-
scribed by the Secretary.

(b) Amendments to the Federal Power Act. The amendments made by this section shall apply with respect to any lease entered into before, on, or after the date of the enactment of this Act.

(c) Deadline for Regulations.—The Sec-

secretary shall issue regulations implementing the amendments made by this section by not later than 90 days after the date of the enact-

ment of this Act.

TITLE IV—HYDROPOWER

SEC. 6401. STUDY AND REPORT ON INCREASING ELECTRIC POWER PRODUCTION CAPACITY AT EXISTING LUSING FACILITIES.

(a) In General.—The Secretary of the Interior shall conduct a study of the potential for increasing electric power production ca-


pacity at existing facilities under the ad-

ministrative jurisdiction of the Secretary.

(b) CONTENT.—The study under this section shall include identification and description in detail of each facility that is capable, with or without modification, of producing addi-
tional hydroelectric power, including esti-

mation of the existing potential for the fac-

ility to generate hydroelectric power.

(c) REPORT.—The Secretary shall submit to the Congress a report on the findings, con-
clusions, and recommendations of the study under this section by not later than 12 months after the date of the enactment of this Act. The Secretary shall include in the report the following:

(1) The identifications, descriptions, and estimations referred to in subsection (b).

(2) A description of activities the Sec-


cretary is currently conducting or consid-

ering, or that could be considered, to produce addi-
tional hydroelectric power from each identi-

fied facility.

(3) The costs to install, upgrade, or modify equipment or facilities to produce addi-
tional hydroelectric power from each identi-

fied facility.

(4) The costs to install, upgrade, or modify equipment or facilities to produce addi-
tional hydroelectric power from each identi-

fied facility.

(5) The benefits that would be achieved by such installations, upgrades, modifications, or other action, including quantified estimates of any additional energy or capacity from each facility identified under subsection (b).

(6) A description of actions that are planned, underway, or might reasonably be considered to increase hydroelectric power production by replacing turbine runners.

(7) The impact of increased hydroelectric power production on irrigation, fish, wildlife, Indian tribes, river health, water quality, navigation, recreation, fishing, and flood control.

(9) Any additional recommendations the Sec-


tary considers advisable to increase hy-

droelectric power production from, and re-

cduce costs and improve efficiency at, facili-

ties under the jurisdiction of the Secretary.

SEC. 6402. INSTALLATION OF POWERFORMER AT TURBINE POWER PLANT, CALI-

FORNIA.

(a) In General.—The Secretary of the In-

terior may install a powerformer at the Bu-

reau of Reclamation Folsom power plant in Galt, California, to replace a generator and transformer that are due for replace-

ment due to age.

(b) Reimburseable Costs.—Costs incurred by the Secretary for installation of a powerformer under this section shall be treated as reimbursable costs and shall bear interest at current long-term borrowing rates of the United States Treasury at the time of acquisition.

(c) Local Cost Sharing.—In addition to reimbursable costs under subsection (b), the Secretary shall consider sharing, from the costs of power users toward the costs of the powerformer and its installation.

SEC. 6403. STUDY AND IMPLEMENTATION OF INCREASED OPERATIONAL EFFICIENCIES IN HYDROELECTRIC POWER PLANTS.

(a) In General.—The Secretary of Interior shall conduct a study of operational methods and water scheduling techniques at all hy-
droelectric power plants under the adminis-
trative jurisdiction of the Secretary that have an electric power production capacity greater than 50 megawatts, to—

(1) determine whether such power plants and associated river systems are operated so to as to maximize energy and capacity capabili-

and ; and

(2) identify measures that can be taken to improve operational flexibility at such plants to achieve such maximization.

(b) Report.—The Secretary shall submit a report on the findings, conclusions, and recom-

endations of the study under this sec-


tion by not later than 18 months after the date of the enactment of this Act, including a summary of the determinations and identifi-

sections under paragraphs (1) and (2) of sub-

section (a).

(c) COOPERATION BY FEDERAL POWER MARKETING ADMINISTRATIONS.—The Secretary shall coordinate with the Administrator of each Federal power marketing administra-

(d) LIMITATION ON IMPLEMENTATION OF MEASURES.—Implementation under sub-

sections (a)(2) and (b)(2) shall be limited to those measures that can be implemented within the constraints imposed on Depart-

ment of the Interior facilities by other uses

SEC. 6404. SHIFT OF PROJECT LOADS TO OFF-

PEAK PERIODS.

(a) In General.—The Secretary of the In-

terior shall—

(1) review electric power consumption by Bureau of Reclamation facilities for water pumping purposes; and

(2) make such adjustments in such pump-

ing as possible to minimize the amount of electric power consumed for such pumping during periods of peaking con-

sumption, including by performing as much of such pumping as possible during off-peak hours at night.

(b) EXISTING OBLIGATIONS NOT AFFECTED.—This section shall not be construed to affect any existing obligation of the Secretary to provide electric power, water, or other bene-

fits from Bureau of Reclamation facilities.

TITLE V—ARCTIC COASTAL PLAIN DOMESTIC ENERGY

SEC. 6501. SHORT TITLE.

This title may be cited as the "Arctic Coastal Plain Domestic Energy Security Act of 2001".

SEC. 6502. DEFINITIONS.

In this title:

(1) COASTAL PLAIN.—The term "Coastal Plain" means that area identified as such in the map entitled "Arctic National Wildlife Refuge", dated August 1980, as referenced in section 102(b) of the Alaska National Inter-

(2) SECRETARY.—The term “Secretary”, except as otherwise provided, means the Secretary of the Interior or the Secretary’s designee.

SEC. 6503. LEASING PROGRAM FOR LANDS WITHIN THE COASTAL PLAIN.

(a) In General.—The Secretary shall take such actions as are necessary:

(1) to establish and implement in accordance with this title a competitive oil and gas leasing program under the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.) that will result in an environmentally sound program for the exploration, development, and production of the oil and gas resources of the Coastal Plain;

(2) to administer the provisions of this title through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the oil and gas exploration, development, and production activities on the Coastal Plain will result in no significant adverse effect on fish and wildlife, their habitat, subsistence resources, and the environment, and including, in furtherance of this goal, by requiring the application of the best commercially available practices for oil and gas exploration, development, and production to all exploration, development, and production operations on the Coastal Plain in a manner that ensures the receipt of fair market value by the public for the mineral resources to be leased.

(b) REPEAL.—Section 103 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3143) is repealed.

(c) COMPLIANCE WITH REQUIREMENTS UNDER CERTAIN OTHER LAWS.—

(1) COMPATIBILITY.—For purposes of the National Wildlife Refuge System Administration Act of 1966, the oil and gas leasing program and activities authorized by this section in the Coastal Plain are deemed to be compatible with the purposes for which the Arctic National Wildlife Refuge was established, and that no further findings or decisions are required to implement this determination.

(2) AGENCY OF THE DEPARTMENT OF THE INTERIOR’S LEGISLATIVE ENVIRONMENTAL IMPACT STATEMENT.—The “Final Legislative Environmental Impact Statement” (April 1987) on the plan prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3142) and section 1022(c)(3) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(c)(3)) is deemed to satisfy the requirements under the National Environmental Policy Act of 1969 that apply with respect to actions that may be taken by the Secretary to develop and promulgate the regulations for the establishment of a leasing program authorized by this title before the conduct of the first lease sale.

(d) COMPLIANCE WITH NEPA FOR OTHER ACTIONS.—Before conducting the first lease sale under this title, the Secretary shall prepare an environmental impact statement under the National Environmental Policy Act of 1969 with respect to the actions authorized by this title that are not referred to in paragraph (2). Notwithstanding any other law, the Secretary is not required to identify nonleasing alternative courses of action or to analyze the environmental effects of such courses of action. The Secretary shall identify a preferred action for such leasing and a single leasing alternative, and analyze the environmental effects and potential mitigating measures for those alternatives. The identification of the preferred action and related analysis for the first lease sale under this title shall be completed within 18 months after the date of the enactment of this Act. The Secretary shall only consider public comments that specifically address the Secretary’s preferred action and that are filed within 20 days after publication of an environmental analysis. Notwithstanding any other law, compliance with this paragraph does not require the Secretary to prepare any requirements for the analysis and consideration of the environmental effects of proposed leasing under this title.

(e) RELATION TO STATE AND LOCAL AUTHORITY.—Nothing in this title shall be considered to expand or limit State and local regulatory authority.

(f) SPECIAL AREAS.—

(1) IN GENERAL.—The Secretary, after consultation with the State of Alaska, the city of Kaktovik, the North Slope Borough, or any other agency that the Secretary considers to have the greatest potential for the discovery of hydrocarbons, taking into consideration nominations received pursuant to subsection (b)(1), but in no case less than 200,000 acres.

(2) MANAGEMENT.—Each such Special Area shall be managed so as to protect the area’s unique and diverse character including its fish, wildlife, and subsistence resource values.

(3) EXCLUSION FROM LEASING OR SURFACE OCCUPANCY.—The Secretary may exclude any Special Area from leasing. If the Secretary leases a Special Area, or any part thereof, for purposes of exploration, development, production, and related activities, there shall be no surface occupancy of the lands comprising the Special Area.

(4) DIRECTION DRILLING.—Notwithstanding the other provisions of this subsection, the Secretary may lease all or a portion of a Special Area under terms that permit the use of horizontal drilling technology from sites on leases located outside the area.

(5) LIMITATION ON CLOSED AREAS.—The Secretary’s sole authority to close lands within the Coastal Plain to oil and gas leasing and to exploration, development, and production is set forth in this title.

(g) REGULATIONS.—

(1) IN GENERAL.—The Secretary shall prescribe such regulations as may be necessary to carry out this title, including rules and regulations for exploration, development, production, and related activities, there shall be no surface occupancy of the lands comprising the Special Area.

(2) REVISION OF REGULATIONS.—The Secretary shall periodically review and, if appropriate, revise the rules and regulations issued under subsection (a) to reflect any significant biological, environmental, or engineering data that come to the Secretary’s attention.

SEC. 6504. LEASE SALE.

(a) In General.—Lands may be leased pursuant to this title to any person qualified to obtain a lease for deposits of oil and gas under the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(b) PROCEDURES.—The Secretary, by regulation, shall establish procedures for:

(1) receipt of nominations for areas in the Coastal Plain for inclusion in, or exclusion from, the leasing program;

(2) the holding of lease sales after such nomination process; and

(3) public notice of and comment on designation of areas to be included in, or excluded from, a lease sale.

(c) LEASE SALE BIDS.—Bidding for leases under this title shall be by sealed competitive sealed bids.

(d) AVERAGE Minimum IN FIRST SALE.—In the first lease sale under this title, the Secretary shall offer for lease those tracts the Secretary considers to have the greatest potential for the discovery of hydrocarbons, taking into consideration nominations received pursuant to subsection (b)(1), but in no case less than 200,000 acres.

(e) TIMING OF LEASE SALES.—The Secretary shall conduct the first lease sale under this title within 22 months after the date of the enactment of this title; and

(f) ADDITIONAL SALES.—The Secretary may, in his discretion and upon the concurrence of the Secretary, conduct additional lease sales with the same terms and phases of the lease sale conducted pursuant to section 6504 any lands to be leased on the Coastal Plain on payment by the lessee of such bonus as may be acceptable to the Secretary.

(g) SUBSEQUENT TRANSACTIONS.—No lease issued under this title may be sold, exchanged, assigned, sublet, or otherwise transferred except with the approval of the Secretary. Prior to any such approval the Secretary shall consider the public interest and the potential economic development and the existing leases, the Secretary shall consider the views of the Attorney General.

SEC. 6505. GRANT OF LEASES BY THE SECRETARY.

(a) In General.—The Secretary may grant to the highest responsible qualified bidder in a lease sale conducted pursuant to section 6504 any lands to be leased on the Coastal Plain upon payment of the lessee of such bonus as may be acceptable to the Secretary.

(b) SUBSEQUENT TRANSACTIONS.—No lease issued under this title may be sold, exchanged, assigned, sublet, or otherwise transferred except with the approval of the Secretary. Prior to any such approval the Secretary shall consider the public interest and the potential economic development and the existing leases, the Secretary shall consider the views of the Attorney General.

SEC. 6506. LEASE TERMS AND CONDITIONS.

(a) In General.—An oil and gas lease issued pursuant to this title shall:

(1) provide for the payment of a royalty of not less than 12½ percent in amount or value of the production removed or sold from the lease, as determined by the Secretary under the regulations applicable to other Federal oil and gas leases;

(2) provide that the Secretary may close, on a seasonal basis, portions of the Coastal Plain to exploratory drilling activities as necessary to protect caribou calving areas and the species of fish and wildlife;

(3) require that the lessee of lands within the Coastal Plain shall be fully responsible and liable for the reclamation of lands within the Coastal Plain and any other Federal lands that are adversely affected in connection with exploration, development, production, or transportation activities conducted on a lease issued under this title; and

(4) provide that the lessee may not delegate, discharge, by contract, or otherwise transfer the reclamation responsibility and liability to another person without the express written approval of the Secretary.

(b) In General.—Nothing in this title shall be construed to require that the standard of reclamation for lands required to be reclaimed under this title shall, as nearly as practicable, a condition capable of supporting the uses which the lands were capable of supporting prior to any exploration, development, or production activities, or upon application by the lessee, to a higher or better use as approved by the Secretary.

(c) IN GENERAL.—Leases shall contain terms and conditions relating to protection of fish and wildlife, their habitat, and the environment as required pursuant to section 6503(a)(2).

(d) In General.—Leases shall contain a clause that the lessee, its agents, and its contractors use best efforts to provide a fair share, as determined by the level of obli- gation previously agreed to in the 1974 agreement implementing section 29 of the Federal Agreement and Grant of Right of Way for the Operation of the Trans-Alaska Pipeline, to the Natives and Alaska Native Corporations from throughout the State;

(e) Prohibits the export of oil produced under such lease; and

(f) Contain such other provisions as the Secretary determines necessary to ensure
compliance with the provisions of this title and the regulations issued under this title.

(b) PROJECT LABOR AGREEMENTS.—The Secretary, as a term and condition of each lease under this section, shall require that the lessee and its agents and contractors negotiate to obtain a project labor agreement for the employment of laborers and mechanics on project that guarantees maintenance, and construction under the lease.

SEC. 6507. COASTAL PLAIN ENVIRONMENTAL PROTECTION.

(a) No significant adverse effect standard to govern authorized coastal plain activities.—The Secretary shall, consistent with the terms, conditions, restrictions, prohibitions, stipulations, and requirements under this section, require the lessee to:

(1) ensure the oil and gas exploration, development, and production activities on the Coastal Plain do not result in no significant adverse effect on fish and wildlife, their habitat, and the environment;

(2) require the application of the best commercially available technology for well and coiled tubing gas and oil exploration, development, and production on all new exploration, development, and production operations; and

(3) ensure that the maximum amount of surface acreage covered by production and support facilities, including airstrips and any areas covered by gravel berms or piers for surcharge of pipelines, does not exceed 2,000 acres on the Coastal Plain.

(b) Site-specific assessment and mitigation.—The Secretary shall also require, with respect to any proposed drilling and related activities, that:

(1) a site-specific analysis be made of the probable effects, if any, that the drilling or related activities will have on fish and wildlife, their habitat, and the environment;

(2) a plan be implemented to avoid, minimize, and mitigate (in that order and to the extent practicable) any significant adverse effect on the fish and wildlife, their habitat, and the environment of the Coastal Plain.

(3) Design safety and construction standards for all pipelines and any access and service roads, that—

(A) minimize, to the maximum extent possible, adverse effects upon the passage of migratory species and the environment; and

(B) minimize adverse effects upon the flow of surface water by requiring the use of culverts, bridges, and other structural devices.

(4) Prohibit the development or transportation of oil and gas production operations, exploratory drilling on the KIC and that are donated to the United States for those purposes.

(5) Appropriate prohibitions or restrictions on access by all modes of transportation.

(6) Appropriate prohibitions or restrictions on sand and gravel extraction.

(7) Appropriate prohibitions or restrictions on use of explosives.

(8) Avoidance of seasonal limitations on exploration, development, production, and transportation of Coastal Plain oil and gas resources.

(9) Prohibitions on use of explosives.

(10) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(11) Avoidance of significant adverse effect on the Coastal Plain.

(12) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(13) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(14) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(15) Research, monitoring, and reporting requirements.

(16) Field crew environmental briefings.

(17) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(18) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(19) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(20) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(21) Avoidance of significant adverse effect on the environment of the Coastal Plain.

(22) All other protective environmental stipulations, restrictions, terms, and conditions deemed necessary by the Secretary.

(e) Conservation.—In preparing and promulgating regulations under terms, conditions, restrictions, prohibitions, and stipulations under this section, the Secretary shall consult with the following:

(1) The stipulations and conditions that govern the National Petroleum Reserve—Alaska leasing program, as set forth in the Northeast National Petroleum Reserve—Alaska Final Integrated Activity Plan/Environmental Impact Statement.

(2) The environmental protection standards that governed the initial Coastal Plain seismic exploration program under parts 37.31 to 37.33 of title 50, Code of Federal Regulations.

(3) Any other standards and requirements under this paragraph those facilitate, infrastructure, facilities and activities.

(4) Enhancing compatibility between wild

(5) Facilitating enhancement of environmental values and development activities.

SEC. 6508. EXPEDITED JUDICIAL REVIEW.

(a) Filing of Complaint.—

(1) Deadline.—Subject to paragraph (2), any complaint seeking judicial review of any provision of this title or any action of the Secretary under this title shall be filed in any appropriate district court of the United States.

(A) except as provided in subparagraph (B), within the 90-day period beginning on the date of the action being challenged; or

(B) in the case of a specified action that occurs solely on grounds arising after such period, within 90 days after the complaint was filed or reasonably should have known of the grounds for the complaint.

(2) Venue.—Any complaint seeking judicial review of an action of the Secretary under this title may be filed only in the United States Court of Appeals for the District of Columbia.

(3) Limitation on Scope of Certain Review.—Judicial review of a Secretarial decision shall not extend to a lease subject to a judicial review, including the environmental analysis thereof, that shall be limited to whether the Secretary has complied with the terms of this division and may be based upon an administrative record of that decision. The Secretary’s identification of a preferred course of action to enable leasing to proceed and the Secretary’s approval of environmental analyzes for this division shall be presumed to be correct unless shown otherwise by clear and convincing evidence to the contrary.

(b) Limitation on Other Review.—Actions of the Secretary with respect to which review could have been obtained under this section shall not be subject to judicial review in any civil or criminal proceeding for enforcement.
SEC. 4509. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.

(a) EXEMPTION.—Title XI of the Alaska National Interest Lands Conservation Act of 1980 (30 U.S.C. 185) shall not apply to the issuance by the Secretary under section 28 of the Mineral Leasing Act (30 U.S.C. 185) of rights-of-way and easements across the Coastal Plain for the transportation of oil and gas.

(b) TERMS AND CONDITIONS.—The Secretary shall include in any right-of-way or easement issued under subsection (a) such terms and conditions as may be necessary to ensure that transportation of oil and gas does not result in a significant adverse effect on the flora and wildlife, subsistence resources, their habitat, and the environment of the Coastal Plain, including requirements that facilities be sited or designed so as to avoid unnecessary duplication of roads and pipelines.

(c) REGULATIONS.—The Secretary shall include in regulations under section 6503(g) provisions granting rights-of-way and easements described in subsection (a) of this section.

SEC. 6510. CONVEYANCE.

In order to maximize Federal revenues by removing clouds on title to lands and clarifying land ownership patterns within the Coastal Plain, the Secretary, notwithstanding standards of section 1313(d) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3192(h)(2)), shall convey—

(1) to the Kaktovik Inupiat Corporation the surface estate of the lands described in paragraph 2 of Public Land Order 6595, to the extent necessary to fulfill the Corporation’s entitlement under section 12 of the Alaska Native Claims Settlement Act (43 U.S.C. 1611); and

(2) to the Arctic Slope Regional Corporation the surface estate beneath such surface estate pursuant to the August 9, 1983, agreement between the Arctic Slope Regional Corporation and the United States of America.

SEC. 6511. LOCAL GOVERNMENT IMPACT AID AND COMMUNITY SERVICE ASSISTANCE.

(a) FINANCIAL ASSISTANCE AUTHORIZED.—

(1) IN GENERAL.—The Secretary may use amounts available from the Coastal Plain Local Government Impact Aid Assistance Fund established by subsection (b) to provide timeliness assistance to enable communities eligible for assistance under paragraph (2) and that are directly impacted by the exploration for or production of oil and gas on the Coastal Plain under this title.

(2) ELIGIBLE ENTITIES.—The North Slope Borough, Kaktovik, and other boroughs, municipal subdivisions, villages, and any other community organized under Alaska State law shall be eligible for financial assistance under this section.

(b) USE OF ASSISTANCE.—Financial assistance under this section may be used only for—

(1) planning for mitigation of the potential effects of oil and gas exploration and development on environmental, social, cultural, recreational and subsistence values;

(2) implementing mitigation plans and maintaining mitigation projects; and

(3) developing and maintaining projects and programs that provide new or expanded public facilities and services to address needs and problems associated with such exploration and development, including public safety, law enforcement, fire protection, police, water, waste treatment, medicaid, and medical services.

(c) APPLICATION.—Any community that is eligible for assistance under this section may submit an application for such assistance to the Secretary, in such form and under such procedures as the Secretary may prescribe by regulation.

(2) NORTH SLOPE BOROUGH COMMUNITIES.—A community on the North Slope Borough may apply for assistance under this section either directly to the Secretary or through the North Slope Borough.

(3) APPROPRIATION.—The Secretary shall work closely with and assist the North Slope Borough and other communities eligible for assistance under this section in developing and submitting applications for assistance under this section.

(d) ESTABLISHMENT OF FUND.—

(1) IN GENERAL.—There is established in the Treasury the Coastal Plain Local Government Impact Aid Assistance Fund.

(2) USE.—Amounts in the fund may be used only for providing financial assistance under this section.

(3) DEPOSITS.—Subject to paragraph (4), there shall be deposited into the fund amounts received by the United States as royalties derived from rents, bonuses, and royalties under on leases and lease sales authorized under this title.

(4) LIMITATION ON DEPOSITS.—The total amount in the fund may not exceed $10,000,000.

(5) INVESTMENT OF BALANCES.—The Secretary shall invest amounts in the fund in interest-bearing government securities.

(e) AUTHORIZATION OF APPROPRIATIONS.—To provide financial assistance under this section there is authorized to be appropriated to the Secretary from the Coastal Plain Local Government Impact Aid Assistance Fund.

SEC. 6512. RENEWABLE ENERGY TECHNOLOGY INVESTMENT FUND.

(a) ESTABLISHMENT AND AVAILABILITY.—

There is hereby established in the Treasury of the United States a separate account which shall be known as the “Renewable Energy Technology Investment Fund”.

(b) ESTABLISHMENT.—Fifty percent of revenues from rents and royalty payments for leases issued under this title shall be deposited into the Department of the Interior and the Overseas Territories account established by this section.

(c) ROYALTIES CONSERVATION FUND.—

(1) ESTABLISHMENT AND AVAILABILITY.—There is hereby established in the Treasury the “Royalties Conservation Fund”.

(2) DEPOSITS.—Fifty percent of revenues from rents and royalty payments for leases issued under this title shall be deposited into the Royalties Conservation Fund.

(d) USE, GENERALLY.—Subject to paragraph (4), funds deposited into the Royalties Conservation Fund—

(1) may be used by the Secretary of the Interior to finance grants, contracts, cooperative agreements, and expenses for direct activities of the Secretary of the Interior and the Federal Government to conserve and protect Federal lands and to eliminate maintenance and improvements backlogs on Federal lands, including the costs of administering and reporting on such a program; and

(2) may be used by the Secretary of the Interior to finance grants, contracts, cooperative agreements, and expenses—

(i) to preserve historic Federal properties;

(ii) to assist States and Indian Tribes in preserving their historic properties;

(iii) to foster the development of urban parks; and

(iv) to conduct research to improve the effectiveness and lower the costs of habitat restoration.

(e) USE FOR ADJUSTMENTS AND REFUNDS.—If for any circumstances, adjustments or refunds of royalty and rental amounts deposited pursuant to this title become warranted, 50 percent of the amount necessary for the sum of such adjustments and refunds may be paid from the Royalties Conservation Fund.

(f) AVAILABLE.—Moneys covered into the accounts established by this section—

(1) shall be available for expenditure only to the extent appropriated therefor; and

(2) may be appropriated without fiscal-year limitation.

(g) CONSULTATION AND COORDINATION.—Any specific use of the Renewable Energy Technology Investment Fund shall be determined only after the Secretary of Energy consults with and coordinates with the heads of other appropriate Federal agencies.

(h) RENEWABLE ENERGY TECHNOLOGY INVESTMENT FUND.

(1) IN GENERAL.—There is hereby established in the Treasury the “Renewable Energy Technology Investment Fund”.

(2) USE.—Subject to paragraph (4), funds deposited into the Renewable Energy Technology Investment Fund shall be used exclusively for the purposes of this fund, including research grants, contracts, and cooperative agreements and expenses of direct research by Federal agencies, including the costs of administering and conducting such a program of research, to improve and demonstrate technology and develop basic science information for development and use of renewable and alternative fuels including wind energy, solar energy, geothermal energy, and energy from biomass...
TITLE VI—CONSERVATION OF ENERGY BY THE DEPARTMENT OF THE INTERIOR

SEC. 6601. ENERGY CONSERVATION BY THE DEPARTMENT OF THE INTERIOR.

(a) In General.—The Secretary of the Interior shall:

(1) conduct a study to identify, evaluate, and recommend opportunities for conserving energy by reducing the amount of energy used at facilities of the Department of the Interior; and

(2) wherever feasible and appropriate, reduce the use of energy from traditional sources by use of alternative energy sources, including solar power and power from fuel cells, throughout such facilities and the public lands of the United States.

(b) Reports.—The Secretary shall submit to the Congress:

(1) by not later than 90 days after the date of enactment of this paragraph, a report containing the findings, conclusions, and recommendations of the study under subsection (a)(1); and

(2) by not later than December 31 each year, an annual report describing progress made in—

(A) conserving energy through opportunities recommended in the report under paragraph (1); and

(B) encouraging the use of alternative energy sources.

SEC. 6602. AMENDMENT TO BUY INDIAN ACT.

Section 23 of the Act of June 25, 1910 (25 U.S.C. 47; commonly known as the “Buy Indian Act”) is amended by inserting “energy products” and “energy by-products,” after “printing.”

TITLE VII—COAL

SEC. 6701. LIMITATION ON FEES WITH RESPECT TO COAL LEASE APPLICATIONS AND DOCUMENTS.

Notwithstanding sections 304 and 504 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1734, 1744) and section 9701 of title 31, United States Code, the Secretary shall not recover the Secretary’s costs with respect to applications and other documents relating coal leases.

SEC. 6702. MINING PLANS.

Section 7(2)(2) of the Mineral Leasing Act (30 U.S.C. 222(2)) is amended—

(1) by inserting “(A) after “(2);” and

(2) by adding at the end the following:

“(B) May establish a period of more than 40 years if the Secretary determines that the longer period—

(i) will ensure the maximum economic recovery of a coal deposit; or

(ii) the longer period is in the interest of the orderly, efficient, or economic development of a coal resource.”

SEC. 6703. PAYMENT OF ADVANCE ROYALTIES UNDER COAL LEASES.

(a) In General.—Section 7(b) of the Mineral Leasing Act of 1920 (30 U.S.C. 201(b)) is amended to read as follows:

“(b) Each lease shall be subjected to the condition of diligent development and continued operation of the mine or mines, except when under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee.

(2)(A) The Secretary of the Interior, upon determining that the public interest will be served thereby, may suspend the condition of continued operation upon the payment of advance royalties.

(B) The amount of advance royalties shall be computed based on the average price for coal sold in the spot market from the same region during the last month of each applicable continued operation.

(C) The aggregate number of years during the initial and any extended term of any lease for which advance royalties may be accepted in lieu of the condition of continued operation shall not exceed 20.

(3) The amount of any production royalty paid for any year shall be reduced (but not below zero) by the amount of any advance royalties paid under such lease to the extent that such advance royalties have not been used to reduce production royalties for a prior year.

(4) This subsection shall be applicable to any lease or local mining unit in existence on the date of enactment of this paragraph or issued after such date.

(5) Nothing in this subsection shall be construed to allow a requirement contained in the second sentence of subsection (a) relating to commencement of production at the end of 10 years.

(b) Authorize Waive, Suspend, or Reduce Advance Royalties.—Section 39 of the Mineral Leasing Act (30 U.S.C. 209) is amended by striking the last sentence.

SEC. 6704. ELIMINATION OF DEADLINE FOR SUBMISSION OF COAL LEASE OPERATING AND RECLAMATION PLAN.

Section 7(c)(9) of the Mining Act (30 U.S.C. 207(c)) is amended by striking “not later than three years after a lease is issued.”

TITLE VIII—INSULAR AREAS ENERGY SECURITY

SEC. 6801. INSULAR AREAS ENERGY SECURITY.

Section 604 of the Act entitled “An Act to authorize appropriations for certain insular areas of the United States, and for other purposes,” approved December 24, 1980 (Public Law 96–297, 94 Stat. 1349–1391), is amended—

(1) in subsection (a)(4) by striking the period and inserting a semicolon;

(5) by adding at the end of subsection (a) the following new paragraph:

“(5) electric power transmission and distribution lines in insular areas are inadequate to withstand damage caused by the hurricanes and typhoons which frequently occur in insular areas and such damage often costs millions of dollars to repair; and

(6) the refinement of renewable energy technologies since the publication of the 1982 Territorial Energy Assessment prepared pursuant to subsection (c) reveals the need to reassess the requirement for an increased capacity to produce electric power and to develop new alternative energy sources which can be protected from damage caused by hurricanes and typhoons."

(iii) the project addresses one or more problems that have been repetitive or that pose a significant risk to public health and safety.

(4) The project is not likely to cost more than the value of the reduction in direct damage and other negative impacts that the project is designed to prevent or mitigate.

(5) Nothing in this subsection shall be construed to authorize funding for projects which are not designed to prevent or mitigate problems that are repetitive or that pose a significant risk to public health and safety.

(6) The project is likely to substantially reduce the risk of future damage, hardship, loss, or suffering.

(7) The project addresses one or more problems that have been repetitive or that pose a significant risk to public health and safety.

DIVISION C

SEC. 7101. BU Y AMERICAN.

Nothing authorized under this Act shall be available to any person or entity that has been convicted of violating the Buy American Act (41 U.S.C. 10a–10c).

DIVISION H

SEC. 8101. PROHIBITION ON HUMAN CLONING.

(a) In General.—Title 18, United States Code, is amended by inserting after chapter 15, the following:


**CHAPTER 16—HUMAN CLONING**

“Sec.

301. Definitions.


303. Definitions.

“In this chapter—

(1) ‘HUMAN CLONING.’—The term ‘human cloning’ means human asexual reproduction, accomplished by introducing nuclear material from one or more human somatic cells into an enucleated or nuclei-free oocyte whose nuclear material has been removed or inactivated so as to produce a living organism (at any stage of development) that is genetically identical to an existing or previously existing human organism.

(2) ‘ASEXUAL REPRODUCTION.’—The term ‘sexual reproduction’ means reproduction not initiated by the union of oocyte and sperm.

(3) ‘SOMATIC CELL.’—The term ‘somatic cell’ means a diploid cell having a complete set of chromosomes that may require that technical or other limitations be required to bring about such cell.

set of chromosomes) obtained or derived from a living or deceased human body at any stage of development.

302. Prohibition on human cloning

“(a) IN GENERAL.—It shall be unlawful for any person or entity, public or private, in or affecting interstate commerce, knowingly—

“(1) to perform or attempt to perform human cloning;

“(2) to ship or receive for any purpose an embryo produced by human cloning or any product derived from such embryo;

“(b) IMPORTATION.—It shall be unlawful for any person or entity, public or private, knowingly to import for any purpose an embryo produced by human cloning, or any product derived from such embryo.

(c) PENALTIES.—

“(1) CRIMINAL PENALTY.—Any person or entity that violates any provision of this section shall be subject to, in the case of a violation that involves the derivation of a pecuniary gain, a civil penalty of not less than $1,000,000, but not more than an amount equal to the amount of the gross gain multiplied by 2, if that amount is greater than $1,000,000.

“(2) SCIENTIFIC RESEARCH.—Nothing in this section restricts areas of scientific research not specifically prohibited by this section, including research in the use of nuclear transfer or other cloning techniques to produce molecules, DNA, cells other than human embryos, tissues, organs, plants, or animals other than humans.

(b) STUDY AND REPORT.

(1) IN GENERAL.—The General Accounting Office shall conduct a study to assess the need (if any) for amendment of the prohibition on human cloning, as defined in section 301 of title 18, United States Code, as added by this section, which study shall include—

(A) a discussion of new developments in medical technology concerning human cloning and somatic cell nuclear transfer, the need (if any) for somatic cell nuclear transfer to produce medical advances, current public attitudes and prevailing ethical views concerning the use of somatic cell nuclear transfer, and potential legal implications of research in somatic cell nuclear transfer;

(B) a review of any technological developments that may require that technical changes be made to chapter 16 of title 18, United States Code, as added by this section.

(2) REPORT.—The General Accounting Office shall transmit to Congress, within 4 years after the date of enactment of this Act, a report containing the findings and conclusions of its study, together with recommendations for any legislation or administrative actions which it considers appropriate.

(c) CLERICAL AMENDMENT.—The table of chapters for part I of title 18, United States Code, is amended by inserting after the item relating to chapter 15 the following:

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The Secretary of Transportation $350,000,000

There are authorized to be appropriated to rail transportation service for shippers.

Transportation where effective competition among rail carriers.

SEC. 901. SHORT TITLE; AMENDMENT OF TITLE 49, UNITED STATES CODE.

(a) SHORT TITLE.—This title may be cited as the Railroads, Competition, Arbitration, and Service Act of 2001.

(b) AMENDMENT OF TITLE 49, UNITED STATES CODE.—Except as otherwise expressly provided, in this title every amendment or repeal is expressed in terms of an amendment or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

SEC. 902. PURPOSES.

The purposes of this title are as follows:

(1) To eliminate unreasonable barriers to competition among rail carriers.

(2) To provide for use of expedited, private means for the resolution of disputes between shippers and carriers.

SEC. 903. CLARIFICATION OF RAIL TRANSPORTATION POLICY.

Section 10101 is amended—

(1) In subsection (a) in general, ‘‘before in regulating’’; and

(2) by adding at the end the following:

‘‘(b) PRIMARY OBJECTIVES.—The primary objective of the rail transportation policy of the United States are as follows:’’

‘‘(1) To ensure effective competition among rail carriers at origins and destinations.

(2) To maintain reasonable rates for rail transportation where effective competition among rail carriers has not been achieved.

(3) To maintain consistent and efficient rail traffic service for shippers.’’

SEC. 904. ARBITRATION OF CERTAIN RAIL RATE, SERVICE, AND OTHER DISPUTES.

(a) In general.—

(1) ADVISORY.—Chapter 117 of title 49 is amended by adding the following section after section 11707:

‘‘§ 11708. Arbitration of certain rail rate, service, and other disputes.

(a) Eligibility.—A dispute described in subsection (b) shall be submitted for resolution by arbitration upon the election of any party to the dispute that is not a rail carrier.

(b) Covered disputes.—(1) Except as provided in paragraph (2), subsection (a) applies to any dispute between a party described in subsection (a) and a rail carrier or all of the rail carriers who—

(A) arises under section 10701(c), 10701(d), 10702, 10704(a)(1), 10707, 10711, 10745, 10746, 11101(a), 11102, 11121, 11122, or 11706 of this title; and

(B) involves—

(i) the payment of money;

(ii) a rate charged by a rail carrier; or

(iii) transportation by the rail carrier.

(2) Subsection (a) does not apply to a dispute if the resolution of the dispute would not be consistent with the recommendations of regulations generally applicable to all rail carriers.

(c) Arbitration procedures.—The Secretary of Transportation shall prescribe in regulations the procedures for the resolution of disputes submitted for arbitration under subsection (a). The regulations shall include the following:

(1) Procedures, including time limits, for the selection of an arbitrator or panel of arbitrators for a dispute from a roster of arbitrators listed on the roster of arbitrators established and maintained by the Secretary under subsection (d)(1).

(2) Policies, requirements, and procedures for the compensation of each arbitrator for a dispute to be paid by the parties to the dispute.

(3) Procedures for expedited arbitration of a dispute, including procedures for discovery authorized in the exercise of discretion by the arbitrator or panel of arbitrators.

(d) Selection of arbitrators.—(1) The Secretary of Transportation shall establish, maintain, and revise as necessary a roster of arbitrators who—

(A) are experienced in transportation or economic issues within the jurisdiction of the Board or issues similar to those issues;

(B) satisfy requirements for neutrality and other requirements prescribed by the Secretary;

(C) consent to serve as arbitrators under this section; and

(D) are not officers or employees of the United States.

(2) For a dispute involving an amount not in excess of $1,000,000, the regulations under subsection (c) shall provide for arbitration by a single arbitrator selected by—

(A) the parties to the dispute; or

(B) if the parties cannot agree, the Secretary of Transportation, from the roster of arbitrators prescribed under paragraph (1).

(3) If the party electing arbitration of a dispute, including procedures for discovery authorized in the exercise of discretion by the arbitrator or panel of arbitrators selected in a dispute submitted under this section:

(A) The arbitrator or panel of arbitrators selected under clauses (i) and (ii).

(B) if a selection of an arbitrator is not made pursuant to subsection (d)(1), the Secretary of Transportation may make a selection of an arbitrator or panel of arbitrators selected.

(4) The regulations under this section may provide for a dispute involving more than $1,000,000.

(e) Disputes on rates or charges.—(1) In the case of a dispute involving less than $1,000,000, the regulations under this section may provide for a judgment of an unspecified court to be entered on the award in an arbitration decision.

(2) In the case of a dispute involving more than $1,000,000, the regulations under this section may provide for a judgment of an unspecified court to be entered on the award in an arbitration decision.

(f) Judicial confirmation and review.—The provisions of title 9 shall apply to an arbitration decision issued under this section.

(2) Judicial confirmation and review.—The provisions of title 9 shall apply to an arbitration decision issued under this section.

(3) If the Board may not provide for a rate for transportation by a rail carrier that would result in a revenue-variable cost percentage for such transportation by a rail carrier, as determined under standards applied in the administration of section 10707(d) of this title.

(3) If the party electing arbitration of a dispute described in paragraph (1) seeks compensation for damages incurred by the party as a result of a specific rate or charge imposed by a rail carrier that would result in a revenue-variable cost percentage for such transportation by a rail carrier, as determined under standards applied in the administration of section 10707(d) of this title.

‘‘(4) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SA 2174. Mr. BURNS submitted an amendment intended to be proposed by him to the bill H.R. 10, to provide for pension reform, and for other purposes; which was ordered to lie on the table; as follows:

The amendment provided:

At the end, add the following:

TITLE IX—RAILROAD COMPETITION, SERVICE, AND OTHER DISPUTES.

SEC. 905. ELIMINATION OF BARRIERS TO COMPE- TITION BETWEEN CLASS I CARRIERS AND CLASS II AND CLASS III CARRIERS.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SEC. 906. ELIMINATION OF BARRIERS TO COMPETITION BETWEEN CLASS I CARRIERS AND CLASS II AND CLASS III CARRIERS.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SEC. 907. ELIMINATION OF BARRIERS TO COM- PETITION BETWEEN CLASS I CARRIERS AND AGRICULTURAL RAIL TRANSPORTATION ACTIVITY.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SEC. 908. ELIMINATION OF BARRIERS TO COM- PETITION BETWEEN CLASS I CARRIERS AND MARITIME TRANSPORTATION ACTIVITY.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SEC. 909. ELIMINATION OF BARRIERS TO COM- PETITION BETWEEN CLASS I CARRIERS AND AIRCRAFT TRANSPORTATION ACTIVITY.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SEC. 9010. ELIMINATION OF BARRIERS TO COM- PETITION BETWEEN CLASS I CARRIERS AND PIPELINE TRANSPORTATION ACTIVITY.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SEC. 9011. ELIMINATION OF BARRIERS TO COM- PETITION BETWEEN CLASS I CARRIERS AND SURFACE TRANSPORTATION ACTIVITY.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from

SEC. 9012. ELIMINATION OF BARRIERS TO COM- PETITION BETWEEN CLASS I CARRIERS AND INTERSTATE TRANSPORTATION ACTIVITY.

(a) Restriction on approval or exemption of carriers’ activities by surface transportation board.—Section 10901 is amended by adding at the end the following subsection:

‘‘(b) The Board may not issue under this section a certificate authorizing an activity described in subsection (a), or exempt from
the applicability of this section under section 10502 of this title such an activity that involves a transfer of interest in a line of railroad, by a Class I or Class II rail carrier if the activity directly or indirectly would result in—

"(A) a restriction of the ability of the Class II or Class III rail carrier to inter-
change traffic with the rail carrier; or

"(B) a restriction of competition between or among rail carriers in the region affected by the activity in a manner or to an extent that would substantially impair the financial ability of the rail carrier to compete in the United States (notwithstanding any exemption from the applicability of antitrust laws that may provide under section 10906 of this title or any other provision of law).

"(2) Any party to an activity referred to in paragraph (1) that has been carried out, or any rail shipper affected by such an activity, may request the Board to review the activity to determine whether the activity has re-
sulted in a restriction described in that para-
graph. If, upon review of the activity, the Board determines that the activity resulted in such a restriction and the restriction has been in effect for at least 10 years, the Board shall declare the restriction to be unlawful and terminate the restriction unless the Board finds that the termination of the restric-
tion will substantially impair the ability of an affected rail carrier to provide service to the public or would otherwise be incon-
sistent with the public interest.

"(B) The term ‘antitrust laws’ has the meaning given that term in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term also means sec-
tion 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 applies to unfair methods of competition.

"(C) The term ‘rail carrier’ means, respectively, a rail carrier classified under the Board as—

"(i) a Class I rail carrier, Class II rail carrier, and Class III rail carrier;

"(2) Applicability to Previously Approved Exempted Activities.—Para-

graph (2) of section 1090(e) of title 49, United States Code (as added by subsection (a)), shall apply with respect to any activity referred to in subparagraph (A) of paragraph (1) for which the Surface Transportation Board issued a cer-

ificate authorizing the activity under section 10901 of that title, or exempted the activity from section 10901 of such title, or exempted the ac-
tivity under regulations of the Board as a Class I rail carrier, ‘class II rail carrier’, and ‘class III rail carrier’ mean, respectively, a rail carrier classified under the Board as—

"(i) a Class I rail carrier; Class II rail carrier, and Class III rail carrier.

"(B) Subject to subparagraph (A), rail service described in a notice filed with the Board under paragraph (1) may be provided by the alternative rail service provider re-

ferred to in the notice beginning 60 days after the notice is so filed, unless, before the expiration of that 60-day period, the Board determines that the alternative rail service provider’s use of the facilities involved—

"(i) is not operationally feasible; or

"(ii) substantially impair the ability of those rail carriers using the facilities to provide transportation over those facilities in accordance with the reason-
able requirements of the customers served by the other rail carrier or carriers as of the date of the Board’s determination.

"(B) The rail carrier or carriers that own or provide transportation over the facilities to be used by an alternative rail service provider in rail service covered by a notice filed with the Board under paragraph (1) shall have the burden of proving the matters de-
scribed in clauses (i), (ii), and (iii) of subparagraph (A).

"(C) The Board shall consult with the Fed-

eral Railroad Administration in determining the facts regarding any allegation by a rail carrier or rail carriers that an alternative rail service provider’s use of facilities would be unsafe.

"(D) An alternative rail service provider may not begin to provide any rail service under subparagraph (B) before the provider’s train crews are qualified to operate over the facilities to be used to provide the service, as determined under rules applicable to such operations.

"(E) Dispatching and Other Responsibilities.—(I) The rail carrier responsible for controlling rail operations of the facilities for dispatching for the use of facilities, used by any alternative rail service provider pursuant to a notice filed with the Board under sub-

paragraph (B) shall—

"(i) continue to perform those functions for all rail carriers using the facilities, in-

cluding the alternative rail service provider; and

"(B) dispatch trains for the alternative rail service provider, without discrimination, on the basis that would apply if it were providing the transportation for the traffic transported by the alternative rail service provider.

"(2) The Board shall have jurisdiction over, and shall promptly resolve, any disputes arising under paragraph (1)(B).

"(C) Compensation for Use of or Facilities.—(1) An alternative rail service provider that, pursuant to a notice filed with the Board under subsection (b), is providing transportation over facilities owned by an-

other rail carrier shall compensate the owner of the facilities on such terms as the alternative rail service provider and the owner of the facilities shall agree. The payment of compensa-
tion shall be adjusted annually, as the par-
ties may agree, effective as of the anniver-
sary of the date on which the alternative rail service provider began to use the facilities.

"(2)(A) The terms of compensation for an owner of facilities for the use of facilities by an alternative rail service provider shall be calculated on a basis that provides for the alternative rail service provider to com-

pense the owner at a level that—

"(i) reflects the revenue that the owner of the facilities would have received if it, rather than the owner, had provided the services to the traffic transported over the facilities; and

"(ii) may take into consideration any additional costs incurred by the owner for transportation over those fa-
cilities in addition to the revenue that would be received by the owner for transportation of traffic transported over those facilities if it, rather than the owner, had provided the services to the traffic transported over the facilities; and

"(B) For the purposes of subparagraph (A), an alternative rail service provider’s propor-
tionate share of the total relevant costs in-
curred by the owner of facilities for the use of facilities during the 12 months of the provider’s use of the facilities pursuant to a notice filed with the Board under subsection (b) shall be the ratio of—

"(i) the extent to which the alternative rail service provider reasonably expects to use the facilities in the calendar month preceding the 6-month period, measured in gross ton-miles, to

"(ii) the total volume of the use of the fa-
cilities by all users of the facilities during the calendar month in which the notice was filed with the Board, measured in gross ton-miles.

"(C) For the purpose of calculating an annual adjustment of the terms of compensa-
tion for an owner of facilities for the use of those facilities for rail service by an alter-

native rail service provider, the Board shall adjust the terms of compensation under subparagraph (A) for determining the alternative rail service provider’s propor-
tionate share of the total relevant costs in-
curred by the owner of facilities for the use of facilities shall be the ratio of—

"(i) the total volume of the use of the fa-
cilities by all users of the facilities during the calendar month preceding the month in which the adjustment takes effect, measured in gross ton-miles, to

"(ii) the total volume of the use of the fa-
cilities by all users of the facilities during those 12 months, measured in gross ton-

miles.

"(D) For the purposes of subparagraph (A), the relevant costs for the use of facilities shall include the following:

"(i) Roadway maintenance expenses.

"(ii) Costs reasonably related to the dis-

patching or control of the operation of users’ trains.

"(iii) Any ad valorem taxes.
“(3)(A) If the owner of facilities to be used by an alternative rail service provider pursuant to a notice filed with the Board under subsection (b) and the alternative rail service provider requests the Board to establish the terms of compensation for the initial use of the facilities before the expiration of the 60-day period applicable to the notice under paragraph (2) of that subsection (b), either party (or the person requesting rail service from the alternative rail service provider) may request the Board to establish the terms of compensation. The Board shall establish those terms, in accordance with the standards applicable under this subsection, within 60 days after receiving such a request. The terms so established shall be effective retroactively as of the date on which the 60-day period applicable under subsection (b)(2) expires.

“(B) If the owner of facilities and an alternative rail service provider do not agree on an annual adjustment to terms of compensation under paragraph (1) before the anniversary of the date on which the alternative rail service provider began to use the facilities, either party may submit the dispute to the Board. The Board shall resolve the dispute within 60 days after the dispute is submitted. Any adjustment pursuant to a resolution of the dispute shall take effect retroactively as of that anniversary date.

“(e) NEW AND ENHANCED FACILITIES.—(1) If it is necessary for an owner of facilities to construct a new connecting track or interlocker or any other new facility or to improve a connecting track, interlocker, or other facility of that owner solely to accommodate the commencement of rail service by an alternative rail service provider under this section, the person requesting the rail service by the alternative rail service provider shall pay the entire reasonable cost of the construction or improvement. The owner constructing the new facility or facilities shall own the newly constructed or improved facility or facilities, as the case may be.

“(2) If, at any time during the period of use of facilities by one or more alternative rail service providers pursuant to this section, it is necessary to construct or improve facilities to allow for the safe or efficient operation of rail service by the alternative rail service providers and all other rail carriers using the facilities to provide rail service, the reasonable cost of construction or improvement shall be shared by the owner and each of the users of the facilities on such terms as those parties may agree. Any dispute concerning such terms shall be promptly resolved by the Board upon the request of any such user.

“(f) RELATIONSHIP TO OTHER AUTHORITIES.—This section may not be construed to provide an exclusive remedy, nor to limit the availability of any other remedy under this part, to users of the facilities on such terms as those parties may agree. Any dispute concerning such terms shall be promptly resolved by the Board.

SEC. 907. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on January 1, 2003.

(b) EXCEPTIONS.—Section 906 and the amendment made by that section shall take effect on the date of enactment of this Act.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

MR. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on November 29, 2001, at 10 a.m. to conduct a hearing on “Housing and Community Development Needs: The FY 2003 HUD Budget.”

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

COMMITTEE ON FOREIGN RELATIONS

MR. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, November 29, 2001, at 10:30 a.m. to hold a nomination hearing.

Agenda

Nominees: John V. Hanford, III, of Virginia, to be Ambassador at Large for International Religious Freedom; Arthur E. Dewey, of Maryland, to be an Assistant Secretary of State (Population, Refugees, and Migration); and John D. Ong, of Ohio, to be Ambassador to Norway.

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

COMMITTEE ON THE JUDICIARY

MR. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, November 29, 2001, at 10 a.m. in Dirksen room 226.

Agenda

I. Committee Business: Subcommittees

II. Unfinished Business: S. 986, A bill to allow media coverage of court proceedings; S. 983, A bill to allow media coverage of court proceedings (Grassley / Schumer / Leahy / Specter / Durbin / Levin / Nunn / Bayh / Dorgan / Roth / Russel / Baucus / Murray / Smith / Allard / Feingold / Specter / Durbin / DeWine / Allen / Edwards / Cantwell).

III. Nominations: Harris L. Hartz to be United States Circuit Court Judge for the Tenth Circuit; John D. Bates to be United States District Court Judge for the District of Columbia; Kurt D. Engelhardt to be United States District Court Judge for the Eastern District of Louisiana; Joe L. Heaton to be United States District Court Judge for the Western District of Oklahoma; William P. Johnson to be United States District Court Judge for the District of New Mexico; Clay D. Land to be United States District Court Judge for the Middle District of Georgia; Frederick J. Martone to be United States District Court Judge for the District of Arizona; Danny C. Reeves to be United States District Court Judge for the Eastern District of Kentucky; Julie A. Robinson to be United States District Court Judge for the District of Kansas; James E. Rogan to be Under Secretary of State for Intellectual Property and Director of the United States Patent and Trademark Office at the Department of Commerce; and Thomas L. Sansonetti to be Assistant Attorney General for the Environment and Natural Resources Division.

To be United States Attorney: David R. Dugas for the Middle District of Louisiana; Edward H. Kubo for the District of Hawaii; James A. Moir for the Eastern District of Washington; David E. O’Meilia for the Northern District of Oklahoma; Sheldon S. Sperling for the Eastern District of Oklahoma; Johnny Keane Sutton for the Western District of Texas; and Richard S. Thompson for the Southern District of Georgia.


V. Resolutions:

S. Res. 140, A resolution designating the week beginning September 15, 2002, as “National Civic Participation Week” [Roberts / Feinstein / Reid / Warner].

H. Con. Res. 88, Expressing the sense of the Congress that the President should issue a proclamation recognizing a National Lao-Hmong Recognition Day.

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

COMMITTEE ON FOREIGN RELATIONS

MR. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, November 29, 2001 at 2:30 p.m. to hold a nomination hearing.

Agenda

Nominees: James McGee, of Florida, to be Ambassador to the Kingdom of Swaziland; Kenneth Moorefield, of Florida, to be Ambassador to the Gabonese Republic; and John Price, of Utah, to be Ambassador to the Republic of Mauritis, and to serve concurrently and without additional compensation as Ambassador to the Federal and Islamic Republic of The Comoros and Ambassador to the Republic of Seychelles.

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

SUBCOMMITTEE ON INTERNATIONAL SECURITY, PROLIFERATION AND FEDERAL SERVICES

MR. REID. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs’ Subcommittee on International Security, Proliferation and Federal Services be authorized to meet on Thursday, November 29, 2001 at 9:30 A.M. for a hearing entitled “Combating Proliferation of Weapons of Mass Destruction (WMD) with Non-Proliferation Programs: Non-Proliferation Assistance Coordination Act of 2001, Part II”.

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

UNANIMOUS CONSENT REQUEST—S. 180

MR. REID. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the
House on S. 180, that the Senate disagree to the House amendment, agree to the request for a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conference on the part of the Senate, with no intervening action by the House.

The PRESIDING OFFICER. Is there objection?

Mr. MURKOWSKI. On behalf of the majority leader, I object.

The PRESIDING OFFICER. Objection is heard.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Nos. 573, 574, 576, 577 through 582, and the nominations on the Secretary’s desk; that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements thereon be printed in the Record, the President be immediately notified of the Senate’s action, and the Senate return to legislative session.

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

The nominations considered and confirmed are as follows:

FEDERAL HOUSING FINANCE BOARD
John Thomas Korosm, of North Dakota, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2002. John Thomas Korosm, of North Dakota, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2009. (Reappointment)
Franz S. Leichter, of New York, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2006. Allan I. Mendelowitz, of Connecticut, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2007.

AIR FORCE
The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be general

Maj. Gen. Bruce A. Wright, 5759
Lt. Gen. Donald G. Cook, 6452

To be brigadier general

Col. Elder Granger, 1583
Col. George W. Weightman, 6988

ARMY

The following named officers for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be colonel

Colonel Charles A. Cartwright, 2868
Colonel Philip D. Coker, 7623
Colonel Thomas R. Cermko, 1332
Colonel Robert L. Davis, 3804
Colonel John DePreitas, 7924
Colonel Robert E. Durbin, 9354
Colonel Gina S. Parrisee, 7084
Colonel David A. Fastabend, 5801
Colonel Richard P. Franko, 7015
Colonel Kathleen M. Gainey, 4227
Colonel Daniel A. Hahn, 0301
Colonel Frank G. Helmick, 8189
Colonel Rhetta H. Hernandez, 7089
Colonel Mark P. Hertling, 3917
Colonel James T. Hirai, 5860
Colonel Paul S. Izzo, 1942
Colonel James L. Keeton, 4010
Colonel Mark T. Kimmitt, 8655
Colonel Robert P. Lennox, 8104
Colonel Douglas E. Lute, 2691
Colonel Timothy P. McHale, 0796
Colonel Richard W. Mills, 9267
Colonel Benjamin R. Mixon, 7168
Colonel James R. Moran, 2618
Colonel James R. Myles, 2299
Colonel Larry C. Newman, 6949
Colonel Carroll F. Pollett, 9096
Colonel Robert J. Reese, 3946
Colonel Stephen V. Reeves, 2272
Colonel Richard J. Rowe, Jr., 5346
Colonel Edward J. Sinclair, 9044
Colonel Eric F. Smith, 3800
Colonel Colonel Edward J. Sinclair, 9044
Colonel Colonel Eric F. Smith, 3800
Colonel Colonel Edward J. Sinclair, 9044
Colonel Colonel Eric F. Smith, 3800
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Colonel Colonel Edward J. Sinclair, 9044
Colonel Colonel Eric F. Smith, 3800
Colonel Colonel Edward J. Sinclair, 9044
Colonel Colonel Eric F. Smith, 3800
Colonel Colonel Edward J. Sinclair, 9044

ARMY

The nominations considered and confirmed are as follows:

To be major general

Brig. Gen. Lester Martinez-Lopez, 1323

NOMINATIONS PLACED ON THE SECRETARY’S DESK

AIR FORCE

PN1175 Air Force nominations (2) beginning CESARIO F. FERRER, JR., and ending RAYMOND Y. HOWELL, nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 30, 2001.

ARMY

PN1165 Army nominations (4) beginning ROBERT A. JOHNSON, and ending JOHN T. WASHINGTON III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 25, 2001.

PN1176 Army nominations (12) beginning SAMUEL CALDERON, and ending FRANK E. WISMER, III, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 30, 2001.

PN1203 Army nomination of Carol E. Pilat, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of November 8, 2001.

PN1204 Army nomination of Illuminada S. Calicidan, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of November 8, 2001.

PN1205 Army nomination of James W. Ware, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of November 8, 2001.

PN1206 Army nomination of Mee S. Paek, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of November 8, 2001.

PN1223 Army nominations (8) beginning MARION S. CORNWELL, and ending GARY L. WHITE, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 15, 2001.

PN1225 Army nominations (30) beginning CHERYL A. ADAMS, and ending DEBBIE T. WINTER, nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of November 15, 2001.
APPOINTMENT OF PATRICIA Q. STONESIFER

Mr. REID. Mr. President, I ask unanimous consent that the Rules Committee be discharged from further consideration of S.J. Res. 26 and the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the resolution by title.

The legislative clerk read as follows: A joint resolution (S.J. Res. 26) providing for the appointment of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. REID. Mr. President, I ask unanimous consent that the joint resolution be read three times, passed, the motion to reconsider be laid on the table, and that any statements relating thereto be printed in the RECORD, with no intervening action or debate.

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

The resolution (S.J. Res. 26) was read the third time and passed, as follows:

S.J. Res. 26

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of Dr. Homer Neal of Michigan on December 7, 2001, is filled by the appointment of Patricia Q. Stonesifer of Washington. The appointment is for a term of 6 years and shall take effect on December 8, 2001.

MEASURE READ THE FIRST TIME—H.R. 2722

Mr. REID. Mr. President, it is my understanding that H.R. 2722, which was just received from the House, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows: A bill (H.R. 2722) to implement effective measures to stop trade in conflict diamonds, and for other purposes.

Mr. REID. Mr. President, I now ask for its second reading and object to my own request for its second reading and object to my own request.

The PRESIDING OFFICER. Objection having been heard, the bill will receive its second reading on the next legislative day.

ORDERS FOR FRIDAY, NOVEMBER 30, 2001

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m., Friday, November 30; that immediately following the prayer and the pledge, the Journal of 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 there be a period for morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. REID. Mr. President, I remind the Senate that there have been three cloture motions filed with respect to H.R. 10. All first-degree amendments must be filed prior to 1 p.m. tomorrow, Friday.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 8:17 p.m., adjourned until Friday, November 30, 2001, at 9:30 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 29, 2001:

FEDERAL HOUSING FINANCE BOARD

John Thomas Kosmoso, of North Dakota, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2002.

John Thomas Kosmoso, of North Dakota, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2002.

Franz S. Leichter, of New York, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2002.

Allan J. Mendelowitz, of Connecticut, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2002.

The above nominations were approved subject to the nominees’ commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following named officers for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Bruce A. Wright

The following named officers for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 601:

To be brigadier general

Col. Eldridge Granger

Col. George W. Weightman

The following named officers for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 601:

To be brigadier general

Colonel Byron S. Bagby

Colonel L. S. Brooks, Jr.

Colonel Sean J. Byrne

Colonel Charles A. Cartwright

Colonel Philip D. Coker

Colonel Thomas R. Chesko

Colonel Robert L. Davis

Colonel John Defrittas III

Colonel Robert E. Duren

Colonel Gina S. Faber

Colonel David A. Fastabend

Colonel Richard F. Forca

Colonel Kathleen M. Gainey

Colonel Daniel A. Harn

Colonel Frank G. Helms

Colonel B. A. Herr

Colonel Marc P. Hestling

Colonel James E. Hira

Colonel Paul S. Hizoo

Colonel James L. Kennon

Colonel Mark K. Kimmitt

Colonel Robert P. Lennox

Colonel Douglas E. Lieb

Colonel Timothy F. Nichole

Colonel Richard W. Mills

Colonel Benjamin R. Nixon

Colonel James R. Moran

Colonel James R. Myers

Colonel Larry C. Newman

Colonel Michael J. Rees

Colonel Stephen V. Hiers

Colonel Richard J. Rowe, Jr.

Colonel Edward J. Sinclaire

Colonel Howard F. Smith

Colonel Abraham J. Turner

Colonel Vincent J. Wagner

Colonel John C. Wood

Colonel Howard W. Yellen

EXECUTIVE NOMINATIONS

Executive nominations received by the Senate November 29, 2001:

Export-Import Bank of the United States

Joseph Grandmaison, of New Hampshire, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 2005.

The Judiciary

Jeanette J. Clark, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years, Vice George W. Mitchell, Decreed.
To be major general

BRIG. GEN. LESTER MARTINEZ-LOPEZ


ARMY NOMINATION OF CAROL E. PILAT.

ARMY NOMINATION OF ILUMINADA S. CALICDAN.

ARMY NOMINATION OF JAMES W. WARE.

ARMY NOMINATION OF MDE S. PARK.


 extensions of remarks

prayer for america

hon. patrick j. toomey
of pennsylvania

in the house of representatives

thursday, november 29, 2001

mr. toomey. mr. speaker, i rise today to share a poem entitled "prayer for america" written by miss ruth werner, a constituent of mine who lives in bangor, pennsylvania. miss werner was inspired to pen this poem following the september 11th attacks. i was touched when she gave me this poem and thought that my colleagues in the house of representatives, the senate and president bush would enjoy it as well.

prayer for america

dear heavenly father,

we pray for peace on earth.

let it begin with us.

with you as our father we are all made one.

we are all brothers and sisters.

let us walk in each other in all 50 states and throughout the world with president bush, vice president cheney and all the leaders.

with children and adults, male and female, with families and people who are lonely, with rich and poor, with people who have homes and the homeless;

with all kinds of people with different careers and with the unemployed;

you love all your children of the world whether red, yellow, black or white.

we ask you to keep our eyes on your sight because you love everyone with an unconditional love; always ready to forgive.

today god let this be our prayer because we know that united we stand divided we fall.

let us stand for peace for america, a most beautiful land.

and let us keep this as one nation under you with liberty and justice for all.

it makes us proud to be an american to be among the red, white and blue as we are just passing through, but most importantly we are honored to be christians who believe in you and will live with you and our loved ones in our heavenly home forever.

god we know you will bless the usa today and always.

in your name we pray, amen.

i commend miss werner for her heartfelt words and for her dedication to god and country.

commemorating world aids day 2001

hon. carrie p. meek
of florida

in the house of representatives

thursday, november 29, 2001

mrs. meek of florida. mr. speaker, this saturday, the nation and the world will observe world aids day 2001.

world aids day provides an opportunity to focus the world's attention on this global pandemic. it is a day to remember those living with aids and those who have died from the disease.

like our recent tragedy, the hiv/aids pandemic has challenged many to have courage and hope in spite of grief, anger, and despair. more than 60 million people worldwide have been infected with hiv since the start of the epidemic 20 years ago, and current statistics point to an even greater spread of the disease than anticipated.

hiv/aids is now the leading cause of death in sub-saharan africa. worldwide, it is the fourth biggest killer. according to a united nations report, by the end of this year there will be an estimated 40 million people living with hiv worldwide.

in the united states, research has shown that the number of aids cases among some populations has decreased. unfortunately, we have not seem similar declines in new hiv cases among people of color or our nation's youth. today, at least half of all new hiv infections in our country are among people under age 25. young americans between the ages of 13 and 25 are contracting hiv at the rate of two per hour.

world aids day has special significance in my community of south florida, which has more hiv/aids cases than 44 states.

as we observe world aids day 2001, we must reaffirm our commitment to work together to protect all our citizens from the threat of hiv. by promoting, education, research and care, we can reach millions of individuals who face life-changing decisions that can affect their health and the future of our nation and the world, and help those who are already affected by this disease.

introduction of a simple resolution to encourage the president to use his power to release liheap emergency funds to those who lost their jobs as a result of 9/11/01

hon. hilda l. solis
of california

in the house of representatives

thursday, november 29, 2001

ms. solis. mr. speaker, hundreds of thousands of people who recently have been laid off from work are reliving the terrorist attacks in the economic aftermath of september 11th. as of today, 638,000 layoffs have already been announced in our country.

fewer than 2 out of 5 employers who have handed out pink slips in the third quarter of this year indicate that they anticipate calling their laid off employees back to work.

the nation's unemployment rate soared from 4.9 percent in september to 5.4 percent in october.

in los angeles county the unemployment rate is 6 percent.

in my congressional district, the city of el monte has an unemployment rate of 7.6 percent and south el monte has an unemployment rate of 9.3 percent.

all of this in time for christmas—and the cold winter to follow. it is our duty—and responsibility—to help those who are suffering the ripple effects of the worst domestic attack in our country's history.

we need to act immediately, because the federal government's assistance is needed now.

the resolution that i bring before the house today would encourage the president to answer this immediate need by expanding the low income energy assistance program—liheap.

the liheap program is a federally funded block grant program that helps ease the energy cost burden of low-income households.

the need for this program has been great.

residential heating oil prices were 48 percent higher in 2000 than in 1999.

residential natural gas prices were 44 percent higher in 2000 than in 1999.

higher prices mean an added burden to those who are already struggling to make ends meet.

as you can imagine, mr. speaker, there are many more people who will need this energy assistance because of our country's recent tragedies.

unfortunately, the more people there are—the less there is to go around.

liheap has two pots of money—one which goes to states in the form of a block grant and another that is distributed by the president for emergency use.

this resolution will encourage the president to use this emergency fund in our current time of uncertainty to help those who have lost their jobs as a result of the attack on our nation.

we must act now to get our country's working families through this horrible time.

the other body has already passed a similar resolution.

i encourage my colleagues to adopt this resolution and ask the president to use his powers to release liheap funds to those who have lost their jobs in the wake of the september 11th terrorist attacks and to those that have suffered prolonged unemployment since early this year.

this bill is a step in the right direction and could mean the difference between a family's financial ruin and their foundation for the future.

recognizing the service of edward jesser

hon. marge roukema
of new jersey

in the house of representatives

thursday, november 29, 2001

mrs. roukema. mr. speaker, i rise today in recognition of mr. edward "ned" jesser, resident of mahwah, new jersey, and proud of his service to our country in the navy and the army in vietnam.

edward jesser is now a member of the new jersey national guard and is serving as the minister of the south side presbyterian church in mahwah.

edward jesser's commitment to his country and his community is an inspiration to us all.
and enthusiastic supporter of the Boy Scouts of America, Mr. Jesser will be honored today at the “Evening with the Governors” 2001 Good Scout Awards of the Northern New Jersey Council Boy Scouts of America. With more than forty years of dedicated service to the Boy Scouts of America, he will be the recipient of the distinguished Scouter Award. The Boy Scouts of American pride themselves on producing fine citizens, strong family members, and community leaders. In this respect, Ned Jesser truly leads by example.

Today, Mr. Jesser sits on the Executive Board of the Northern New Jersey Council of Boy Scouts. However his involvement with the scouts began some forty years ago as he was the President of Bergen County Council of Scouts. It is his firm belief that scouting truly creates good lives and good citizens. Mr. Jesser has said that “scouting is the only national organization that is making a major effort to bring a better and healthier life for our boys.” Clearly, this man is recognized as a leader for scouts—and a committed one at that!

As I am sure Mr. Jesser’s wife Ruth can attest, Mr. Jesser is a very active member of the Bergen County community. Mr. Jesser served as Chairman of the Board and Chief Executive Officer of Summit Bank for twenty years. In addition, he has sat on many boards in our county. To list just a few of his involvements: President of the New Jersey Chamber of Commerce, President of the New Jersey Bankers Association, and Trustee of Lafayette College. As a man who is generous with his time and his talents, Mr. Jesser has truly contributed to making northern New Jersey a better place to live.

A fine citizen, a family man, and an involved community leader, Mr. Jesser is not only an outstanding role model for Scouts, but also an outstanding example of the fine residents of Bergen County. He contributes much to both the development of young men in our region, and to our community itself. Ned Jesser, we are lucky to have you with us.

IN HONOR OF P.O. NIURCA QUINONES AND P.O. DARRELL CLARK

HON. EDOLPHUS TOWNS
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. TOWNS. Mr. Speaker, I rise in honor of Police Officers Niurca Quinones and Darrell Clark in recognition of their outstanding work to rid the streets of Bedford-Stuyvesant from the scourge of drugs.

Officers Quinones joined the New York City Police Department on April 30, 1991. Officer Clark joined the New York City Police Department on October 15, 1990. Both officers were assigned to the 79th Precinct, where they worked closely together. As a unit, they have done an outstanding job in serving the community of Bedford-Stuyvesant.

In a short period of time, these officers have successfully reduced the presence of drugs and the number of drug-related crimes. In the past two years alone, these officers executed 48 search warrants, resulting in 97 arrests. Officers Quinones and Clark also recovered 14 guns, 300 rounds of ammunition, 436 decks of heroin, 1 large bag of heroin, 167 vials of crack, 412 glass vials of crack, 10 oz. of crack, three pounds of marijuana, 51 bottles of hydro, 284 bags of marijuana, and over $9,000 in illegal funds.

Mr. Speaker, Officers Quinones and Clark are two outstanding examples of New York’s finest. They have gone above and beyond the call of duty to help clear the Bedford-Stuyvesant community of dangerous drugs and criminals. As such they are more than worthy of our praise. I urge my colleagues to join in honoring these two dedicated public servants.

A TRIBUTE TO EDWARD AND DOLLY MASON

HON. ROBERT L. EHRLICH, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. EHRLICH. Mr. Speaker, I rise today to pay special tribute to Edward and Dolly Mason, and to honor the memory of their son, Eddie. On March 10, 1999 Eddie Mason died of a sudden and unexpected heart attack. The death of their son, less than three weeks before his nineteenth birthday, was a bitter and heart wrenching loss for the Masons. I know the Mason family; it has been personally painful for me to witness their struggle to cope with such an inconsolable loss.

Eddie Mason was a vibrant young man who embraced life; one who sought the opportunity and community support is something I believe it is very important for the United States to be involved in reunification and peace efforts in Korea, and this resolution brings us one step closer. This is a significant effort in mending relations with both North and South Korea.

TRIBUTE TO CHRISTMAS

HON. BOB SCHAFFER
OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. SCHAFFER. Mr. Speaker, Christmas during wartime is an unsettling conflict in vision and emotion for Americans. A peace-loving nation, the United States has always been resolved in the face of tyranny to crush the purveyors of terror and to vanquish the enemies of freedom; and with firm reliance upon the protection of Divine Providence. Celebrating the birth of the Prince of Peace is a testimony to authentic liberty, and invites
the spirit of a nation whose motto boldly stands "In God we trust."

America will prevail, because it always has, because it must, and because it is right.

President Franklin Roosevelt asked, "how can we pause, even for a day, even for Christ- mas, to labor of aiming a de- cent humanity against the enemies which beset it?" Today, Americans confront the same question. The answer is, of course, the same, and so the outcome will be.

The nation’s first Christmas occurred amidst the Revolutionary War. With the Continental Army poised to turn the momentum of the war, General George Washington conceived a dar- ing tactic which would unfold on the Eve of Christmas 1776. Under cover of darkness and well after the Hessian mercenaries had con- sumed their Holiday feast (and drink), Wash- ington led his troops across the Delaware River to defeat the heavy, surprised, and more numerous Hessian mercenaries who held Trenton, NJ.

A few months prior to the famous attack, Washington conceived a time at hand which must probably determine whether Americans are to be freemen or slaves; whether they are to have any property they can call their own; whether their houses and farms are to be pillaged and destroyed, and themselves consigned to a state of wretched- ness and shame efforts will render them. The fate of unborn millions will now de- pend, under God, on the courage of this army. Our cruel and unrelenting enemy leaves us to resolve to conquer or die.

In 1862, entering the second year of the Civil War, President Abraham Lincoln inspired his countrymen through the Christmas season. Before Congress, he delivered a stirring speech: "the dogmas of the quiet past are in- adequate to the stormy present, how the system of health care worked, or any other symbol. Against enemies who preach the principles of hate and practice day or any other symbol. Against enemies who preach the principles of hate and practice..."

Mr. TAYLOR of North Carolina. Mr. Speak- er, America's armed service members, their families and military retirees can rest easier today knowing that Dr. William Winkenwerder has been sworn in as Assistant Secretary of Defense for Health Care. A western North Carolina native, Dr. Winkenwerder brings fit- tingly bold and impressive record of achievement to this important posi- tion. All Americans can be proud that Dr. Winkenwerder has agreed to serve his nation yet once again. The Ashevile Citizen-Times' Tim Reid recently penned a profile of Dr. Winkenwerder, which I am glad to share with my colleagues.

WINKENWERDER, AS- SISTANT SECRETARY OF DE- FENSE FOR HEALTH CARE

HON. CHARLES H. TAYLOR
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. TAYLOR of North Carolina. Mr. Speak- er, America's armed service members, their families and military retirees can rest easier today knowing that Dr. William Winkenwerder has been sworn in as Assistant Secretary of Defense for Health Care. A western North Carolina native, Dr. Winkenwerder brings fit- tingly bold and impressive record of achievement to this important posi- tion. All Americans can be proud that Dr. Winkenwerder has agreed to serve his nation yet once again. The Ashevile Citizen-Times' Tim Reid recently penned a profile of Dr. Winkenwerder, which I am glad to share with my colleagues.

WINKENWERDER, TOP HEALTHCARE OFFICIAL FOR DEFENSE DEPARTMENT

(By Tim Reid)
ASHVILLE—Growing up in Asheville in a family well known for its successful hotels, William Winkenwerder seemed destined to enter the hospitality industry like his broth- er, John. But he liked science and helping people and figured medicine was a good way to combine those interests. Some time dur- ing his years of medical school, residency and private practice, Dr. Winkenwerder also discovered he was drawn to the public policy and administrative aspects of the medical world. Dr. Winkenwerder is using all his experience and expertise to help protect the health of America's armed serv- ices, their families and military retirees.

The occasion is pithed high with difficulty, and we must rise to the occasion. As our case is new, so we must think anew, and act anew. We must denthrall ourselves, and then we shall save our country.’’

Roosevelt’s address following the Japanese attack upon Pearl Harbor urged Americans to take inspiration from the sacred Holiday. “Our strongest weapon in this war is that conviction of the dignity and brotherhood of man which Christmas Day signifies—more than any other day or any other symbol. Against enemies who preach the principles of hate and practice day or any other symbol. Against enemies who preach the principles of hate and practice..."
spent several months being interviewed and scrutinized for the job at the Department of Defense. He was nominated by President Bush after an extensive FBI background check. The Armed Services Committee approved Winkenwerder's nomination Oct. 16, and he was sworn into office Oct. 30.

"My goals are pretty simple," he said. "I want to protect the health of the people who are in the service, making sure especially that we are ready for chemical or biological attacks. "I want to improve Tricare, managing costs and improving service and quality," he said. "And I want to improve our relationships with other entities like Congress, the VA secretary, the Department of Health and Human Services." Winkenwerder's wife, Prarie and 10-year-old son, Will are staying in Boston until the end of the school year, when they will join him in Washington. In the meantime, he is working 12-hour days in his office at the Pentagon. Winkenwerder is excited to be in a job where he can use his years of experience and preparation to, perhaps, make a difference.

"I would just hope that in some way, by being an effective leader, I can help improve health care for an important group of people who serve our nation," he said.

**RECOGNIZING THE SERVICE OF THOMAS KEAN**

**HON. MARGE ROUKEMA OF NEW JERSEY**

**IN THE HOUSE OF REPRESENTATIVES**

_Thursday, November 29, 2001_

Mrs. ROUKEMA. Mr. Speaker, I rise today in recognition of an exceptional leader and role model for all New Jersey, our former governor, the Honorable Thomas H. Kean. Today, Governor Kean will be honored at the "Eve of the Governors" 2001 Good Scout Awards of the Northern New Jersey Council of Boy Scouts of America. Governor Kean has turned his ability to both serve and lead into a career of tremendous public service. As Governor of New Jersey, he worked hard for New Jersey and New Jersey thanked him, re-electing him to a second term as he won by more than 700,000 votes. This evening, we will honor the Governor for his dedicated work.

Governor Kean is remembered for policy, not politics. Known for his immense knowledge of education issues and ability to connect with so many residents of New Jersey, Governor Kean was one of our most popular governors in state history. During his two terms in office in the 1980s, Governor Kean was responsible for more than 30 education reforms, landmark environmental policies, and tax cuts that created 750,000 jobs in New Jersey. Governor Kean's work truly helped New Jersey residents and even today he is one of our most recognized leaders in New Jersey government.

His reputation extends well outside of our state. In 1988, Governor Kean delivered the keynote address at the Republican National Convention and has been recognized by three presidents as "The Education Governor." He holds numerous awards from environmental and educational organizations including more than 30 honorary degrees. Governor Kean serves on the Board of Trustees of his two alma maters—Princeton University and Columbia University Teachers College. He is also chairman of the Carnegie Corporation of New York and the National Campaign to Prevent Teen Pregnancy.

However it is education that continues to be of great importance to Governor Kean. Since leaving New Jersey political life in 1990, Governor Kean has served as President of Drew University in Madison, New Jersey, where he has led Drew to become one of the nation's premiere small universities with a focus on teaching, technology in the classroom, and international educational experience. Since beginning his tenure, undergraduate applications have increased, enrollment has tripled in size, and the University has launched its first comprehensive fund-raising campaign. Yet Governor Kean's passion seems to still reside in the classroom, and he is often found there. As one who shares his education background, I understand his desire to not only work with education policies, but most importantly with the students. I commend him for this dedication.

I thank Governor Tom Kean for all that he has done for our state of New Jersey. He has accomplished great things and continues to do so. His heart truly focuses on policies and people, not politics and partisanship. In this way, he is a role model for all in this chamber.

**TRIBUTE TO PHYLLIS SMOCK**

**HON. ROBERT L. EHRlich, JR. OF MARYLAND**

**IN THE HOUSE OF REPRESENTATIVES**

_Thursday, November 29, 2001_

Mr. EHRLICH. Mr. Speaker, I would like to take this opportunity to congratulate Ms. Phyllis Smock on her retirement from the University System of Maryland after more than 32 years of dedicated service.

A friend of the State of Maryland, Phyllis Smock, University of Maryland University College's director of alumni relations, will retire on December 1, 2001. Ms. Smock has played a significant role in the growth of University of Maryland University College. University of Maryland University College, or UMUC, is one of 11 accredited degree-granting institutions in the University System. For 50 years, the University has fulfilled its principal mission: to serve adult, part-time students through high-quality educational opportunities. In 1949, of the U.S. colleges and universities invited to provide courses to the men and women in the military stationed overseas, only UMUC accepted.

Today, UMUC classroom sites can be found throughout Maryland, the Washington, DC metropolitan area, and over 100 overseas locations. Last year, over 71,000 students were enrolled in UMUC classes. About 47,000 were service members on active duty with the U.S. military, stationed stateside and abroad in over 29 countries. UMUC is proud of its long history of service to the military and is honored to count over 50 admirals and generals among its alumni. Moreover, UMUC is a pioneer in distance learning; students now can "attend class" from anywhere in the world via the Internet.

Ms. Smock has actively contributed to the growth and success of UMUC. She began working for the University System in 1966 and has served in the UMUC Overseas Programs Office where she worked as logistical coordinator for new faculty recruited to the European and Asian divisions. Further, she has been instrumental in the growth of the Alumni Association from its inception more than a decade ago. Today, the Association boasts of more than 35,000 alumni in Maryland and over 100,000 UMUC alumni worldwide.

During the past seven years, Ms. Smock has coordinated with many UMUC alumni-volunteers and helped establish a stronger relationship with the Maryland General Assembly. She has been a tireless advocate for UMUC, its alumni, and their support of their alma mater—a global University that will provide to any student, anywhere, the opportunity for lifelong learning.

Ms. Smock deserves the thanks and praise of Marylanders and this grateful nation which she has faithfully served for so long. I ask the Members of the House to join me in wishing her and her husband, Ray, all the best in the years ahead.

**IN HONOR OF P.O. JEANETTE MORALES**

**HON. EDOLPHUS TOWNS OF NEW YORK**

**IN THE HOUSE OF REPRESENTATIVES**

_Thursday, November 29, 2001_

Mr. TOWNS. Mr. Speaker, I rise in honor of P.O. Jeanette Morales and her record of service to Brooklyn as a member of the New York City Police Department.

Jeanette Morales was born and raised in East New York. She graduated in 1982 and started working as a bank teller. She moved to various positions within the bank and ultimately became Senior Customer Service Representative. She enjoyed working with and helping people so a friend recommended that she become an Auxiliary Police Officer.

Jeanette served as an Auxiliary Police Officer in the 75th Precinct for a year and then applied to become a full-time New York City Police Officer. She passed the exam and was sworn in on July 11, 1988. After she graduated from the Police Academy she was assigned to field training within the 88th, 84th, 77th and the 79th precincts. In September 1989, Jeanette was promoted to the 79th Precinct. She was assigned to rotating tours for the first few years and was assigned to various units within the 79th Precinct. She worked in the S.N.E.U. (Street narcotics enforcement unit) and the Anti-Crime unit. In October 1993, she was assigned to Community Affairs. She worked in this unit for 8 years alongside her partner, Detective David Allen. They worked extremely well together until the day he passed away. After 13 years in the 79th Precinct, Jeanette was transferred to Brooklyn North Community Affairs.

Mr. Speaker, P.O. Jeanette Morales has served the people of Brooklyn and New York City as a dedicated member of the New York City Police Department. As such she is more than worthy of our praise. I urge my colleagues to join me in honoring this truly committed public servant.
WORLD AIDS DAY

HON. EDDIE BERNICE JOHNSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Ms. EDDIE BERNICE JOHNSON of Texas.
Mr. Speaker, World AIDS Day on December 1 provides an opportunity to refocus our attention on the HIV/AIDS crisis that has not gone away and will not go away until a concerted effort is made to address the pandemic and develop workable solutions.

In the wake of the tragic events of September 11, attention has been focused elsewhere in the world. While we must do everything we can to combat terrorism, we cannot ignore other crises. Forty million people worldwide are still living with HIV/AIDS; 28 million are in sub-Saharan Africa. There are still 12 million orphans in sub-Saharan Africa, and there are still 15,000 new HIV infections each day.

The statistics regarding HIV/AIDS are staggering, but we must not let these numbers deter our resolve to work together to bring this epidemic under control. The United States cannot ignore the fact that HIV/AIDS poses a serious risk to international stability and creates fertile breeding ground for social unrest. Our survival dictates that we cannot afford to ignore the fact that HIV/AIDS poses a serious risk to international stability and creates fertile breeding ground for social unrest.

While some may disagree with Governor Byrne on his policies, no one can disagree that he has truly served the people of New Jersey.

I am honored to call this good man a friend.

RECOGNIZING THE SERVICE OF BRENDAN BYRNE

HON. MARGE ROUKEMA
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mrs. ROUKEMA. Mr. Speaker, I rise today to recognize a dedicated public servant—an exemplary leader and a friend to the people of my State of New Jersey.

Governor Brendan T. Byrne will be honored later today at the “Evening with the Governors” Good Scout Awards of the Northern New Jersey Council of the Boy Scouts of America. This is a most special occasion for me since Governor Byrne and I both call West Orange home. But we share more than a common hometown. We share a love of New Jersey and a devotion to its people. Governor Byrne has turned this dedication to New Jersey into a career of tremendous public service. On Thursday, we will honor the Governor for his work.

His outstanding career first began with service to our great country in the United States Army Air Corps as the youngest squadron navigator in his bomb group. After returning to civilian life, Governor Byrne combined law and public service as Deputy Attorney General and Special Prosecutor in Passaic County. Later, he was appointed as Assistant Counsel to Governor Robert B. Meyner and subsequently named the Governor’s Executive Secretary.

At the age of 34, Byrne was appointed by Governor Meyner as Essex County Prosecutor, becoming the youngest prosecutor in New Jersey’s history. He was reappointed to a second term by Governor Richard J. Hughes. After serving as President of the New Jersey State Board of Utility Commissioners as well as serving on the Superior Court, Governor Byrne quickly rose to Assignment Judge for Morris, Warren and Sussex County.

With nearly 20 years of work for the state of New Jersey, Byrne took his service to the next level and was elected Governor of New Jersey in 1973 by the largest plurality in New Jersey history.

Today, there is a Ukrainian state, proud but recognized as Ukrainian Famine Remembrance Day.

Mr. Speaker, I rise today in recognition of the designation of November
2001 as National American Indian Heritage Month. It is critical that we recognize the history of Native Americans and to learn more about their culture.

I thank President Bush for his promise to protect and honor tribal society and to help to stimulate economic development in reservation communities. I join him in acknowledging the contributions made by Native Americans in both World Wars and the conflicts in Korea, Vietnam, and the Persian Gulf. Almost half of all Native American tribal leaders have served in the United States Armed Forces.

Only in recent decades have we made progress in dismantling the shameful stereotypes that were invented by white Americans in the early centuries of European immigration to this land. We owe it to the Native American people to learn about their actual history and culture, and to teach our children.

My fellow colleagues, it is of the utmost importance that we all take the time to remember American Indian heritage. We must do what we can to keep this beautiful culture alive, this culture of a people wronged by the greed and avarice of our forefathers. I ask you to join me in making the following promise: Never again will our country attempt to decimate an entire culture.

TRIBUTE TO THE 100TH BIRTHDAY OF JOSE ANTONIO JARVIS

HON. DONNA M. CHRISTENSEN
OF THE VIRGIN ISLANDS
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mrs. CHRISTENSEN. Mr. Speaker, I rise today on behalf of all the people of my district to pay tribute to the 100th Birthday of the late Jose Antonio Jarvis—educator, historian, author, philosopher, journalist, poet, playwright, editor, artist, musician and public servant. He was an intellectual giant whose life and work greatly influenced the educational process in the U.S. Virgin Islands. His classroom was the entire Virgin Islands and for more than forty years, Jarvis was an influential educational leader in the United States of America, to reflect upon the life and contributions of this great Virgin Islander—a true renaissance man.

Expressing Sense of Congress That Americans Should Take Time During Native American Heritage Month to Recognize the Accomplishments and Contributions Made by Native Peoples

SPEECH OF
HON. BETTY MCCOLLUM
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 27, 2001

Ms. MCCOLLUM. Mr. Speaker, I join my colleagues today in supporting House Concurrent Resolution 270. This simple, yet important, statement supports the goals and ideals of Native American Heritage Month to highlight the important contributions Native Americans have made to our history and culture. This resolution also encourages the American people to honor and recognize the accomplishments and heritage of Native Americans, including their contributions in the areas of agriculture, medicine, art and language.

Long before the first Europeans arrived in the upper Midwest, the Dakota and Ojibwe nations called Minnesota home. You can still visit many of the areas where Native Americans created their communities and see examples of this rich history. Pipestone National Monument, a sacred quarry in Southwest Minnesota, is still being used to mine the soft red pipestone that was at one time used to create the ceremonial pipes that were used in dealings between tribes and to honor the spiritual world. The story of this stone and the pipes made from it spans four centuries of Plains Indian life and is inseparable from the traditions that structured their daily routine. Today, carvings are appreciated as much as art as well as for ceremonial use.

The heritage and customs of my state, Minnesota, have been greatly influenced by Native Americans. The name of Minnesota itself comes from a Dakota word meaning “waters that reflect the sky” and many more of Minnesota’s cities and counties hold names that represent the Native American heritage that surrounds them.

I commend the authors of this resolution for helping raise awareness of Native American culture and heritage. As a member of the Native American Caucus, I look forward to working with them to make sure the noble goal of encouraging the American people to honor and recognize Native American accomplishments happens not only during Native American Heritage Month but also throughout the year.
HON. GERALD D. KLEczKA
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. KLEczKA. Mr. Speaker, this week one of my district’s many fine parochial schools will reach an important milestone. St. Veronica Catholic School, first opened its doors on December 6, 1956. Two small rooms accommodated the 106 students who attended class on that day.

As the community once known as the Town of Lake expanded, so did St. Veronica’s. After surviving the lean years of the Great Depression and World War II, a new 17-room school was dedicated by Rev. Gordon Johnson in 1952. Today, as the school prepares to celebrate its 75th anniversary, it boasts an enrollment of nearly 450.

The Sisters of St. Francis of Assisi, who taught at St. Veronica’s from its inception until the late 1980s, instilled in their students the importance of education, God, family and community in their daily lives. Sister Marie Estelle Kuczynski and her faculty and staff the school’s dedication to those ideals as they prepare the children of today to become the leaders of tomorrow.

St. Veronica’s strives to afford its students the opportunity to acquire the skills necessary to excel in our changing world. New additions are planned for the library, learning center, and computer lab. However, the dedication to academic, spiritual, social and moral development remains unchanged.

And so, it is with great pleasure that I join with the faculty, staff, students, and alumni of St. Veronica School in celebrating 75 years of quality education, and wish them godspeed in all that lies ahead.

HON. JIM McDermOTT
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. McDermOTT. Mr. Speaker, it is an honor for all of us in Seattle to have Dr. Leland Hartwell among us. We are very fortunate to have him as the president of the renowned Fred Hutchinson Cancer Research Center. Additionally, Dr. Hartwell is a professor of genetics and medicine at the University of Washington.

I am very proud to extend my warmest congratulations to Dr. Hartwell on winning the Nobel Prize for Medicine. This prize is reflective of many years of hard work and achievement, and a lifetime commitment to saving lives. He won the most prestigious prize in medicine through pioneering research in the genetics of yeast cells, which are much easier to study than human cells.

When Dr. Hartwell first began studying baker’s yeast cells over 30 years ago, he and other scientists were not all that confident that the results would apply to human cells. According to Hartwell, the most sophisticated technology they used was often a toothpick. But hard work and determination prevailed.

Dr. Hartwell used genetics to study how cells function, to determine which genes cause cells to divide. That understanding, in turn, is helping researchers understand how cells mutate and perhaps how to prevent or reverse cancerous cell changes. He discovered more than 100 genes involved in cell-cycle control, and documented the existence of cell-cycle “checkpoint.” These points ensure that steps in the process have been completed properly before it proceeds. Interestingly, he discovered that cancer cells bypass the checkpoints.

Indeed, Dr. Hartwell’s investigation into complex cellular mechanisms paved the way for better cancer detection and treatment. A better understanding of the process result in cancerous cell growth, Advances in clinical therapies build upon the knowledge gained from his research.

Without the fundamental research, advances in science and medicine could never have been achieved. I wish to thank Dr. Hartwell for his dedication to curing disease and improving human life.

IN RECOGNITION OF THE LITTLE WHITE CHAPEL

HON. ADAM B. SCHiff
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. SCHiff. Mr. Speaker, I rise today to honor the Little White Chapel in Burbank, CA. The congregation will celebrate the 60th anniversary of the Little White Chapel on December 2, 2001.

Founded on Sunday, December 28, 1941, the Little White Chapel has been serving its congregation for 60 years now. In 1941, the Little White Chapel was built even before it had a single member and well before the congregation had been organized. The Greater Los Angeles Church Federation to the Christian Church, guided by the philosophy of “Build it and they will come,” held Little White Chapel Day in 1941 and with the proceeds, erected the current day church.

The first church services were held on Sunday, December 28, 1941, where Dr. Clifford A. Cole presented the church to the people of Burbank and opened its doors to all who would come. As the years went by, the church was able to add Sunday school rooms, a social hall, a kitchen annex for overflow crowds, and a Sanctuary.

Throughout the years, the congregation has taken an active role in volunteering and working in the surrounding community of Burbank. The church’s congregation has initiated the Good Samaritan Fund to help members of the community in times of distress and need. The fund has given over 36 percent of its funds to causes beyond the local church, especially those dealing with interfaith approaches to alleviating the causes of racism, poverty, hunger, and homelessness.

So today, I ask all Members of Congress to join me in congratulating the Little White Chapel and its congregation on the celebration of their 60th anniversary and thank them for their outstanding participation and service to our community.

DICK VAN NOSTRAND: AN ARTIST WITH A CAMERA

HON. JAMES A. BARCIA
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. BARCIA. Mr. Speaker, I rise today to honor Dick Van Nostrand upon his retirement after nearly 35 years as a newspaper photographer with the Bay City Times in our shared hometown of Bay City, Michigan. I have known Dick for many years and I, along with it seems nearly everyone in the region, have been privileged at one time or another to be the subject of his photographic artistry.

Dick’s interest in photography began when he first picked up his dad’s 35-millimeter camera as a teen. He learned quickly. By his senior year at the former T.L. Handy High School, Dick was a published photographer and had won several awards for his work. After working for a newspaper in Indiana, Dick returned to his hometown in 1967 to join the Bay City Times as a full-time photographer. A month later, he married Jan and they embarked on a life together in Bay City.

Over the years, Dick’s photographs have graced the pages of this newspaper and many other publications throughout the world. He has won the admiration of readers and colleagues alike, garnering many awards from his peers in journalism and in the arts. The images he shot of the tragic Wenona Hotel fire earned him a Pulitzer Prize for Spot News nomination in 1978 and his photos of the fire and his slides are still used today as a training tool for firefighters.

His wife, Jan, and children, David and Amy, also deserve credit for providing the love and support so necessary to his professional success and in fostering the talent that manifested itself in his work.

Finally, Mr. Speaker, I ask my colleagues to join me in commending Dick Van Nostrand for his years of journalistic excellence and his unparalleled passion for art, through the click of his camera. His vision and talent have served his profession and his community well, and he will be sorely missed by us all.

JOHN P. PERDUYN
HON. TOM SAWYER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. SAWYER. Mr. Speaker, John P. Perduyn has served the Goodyear Tire & Rubber Company for 36 years, and the Akron community nearly as long. He joined the Akron office in 1965 as associate editor of “Go” and “Triangle,” internal publications serving the company’s marketing efforts.

Since then, John Perduyn has served the Research and Development, Shoe Products, and the Chemical Division of Goodyear. For a time, he worked in Goodyear’s Midwest Region office in Chicago. Fortunately for us in Akron, he returned as director of public information.

Years of dedication and commitment to the principles of sound business and honest communication with employees and consumers won him the position of Senior Vice President of Global Communications in 1999.
John Perduyn’s career with Goodyear has coincided with an era of unprecedented change, reorganization, and acquisitions in the tire and rubber industry—not just in the United States, but around the world. The globalization of markets in transnational industries has tested men and women—but none more than those in the worldwide tire industry. Few companies or executives in any field have met those challenges, in all their various forms, as well as Goodyear and John Perduyn.

Throughout his career, John Perduyn has served as a mentor for many associates within Goodyear and beyond. He is a member of the National Association of Manufacturers’ Communication Council, the Public Relations Society of America, the Vice Presidents Forum, and the Arthur W. Page Society. John embodies the Page Society’s credo to tell the truth and prove it with action.

Beyond the corporate world, John Perduyn has continued contributing his time and talents to our community. He is on the board of trustees of the Akron Roundtable and Ohio Ballet, offering sound communications advice and policy counsel to those non-profit organizations for many years.

John Perduyn’s wise guidance and strong leadership will be missed at Goodyear. We in Akron can only hope that he will find even more time to devote his energies to the community he has served so long and so well.

PERSONAL EXPLANATION

HON. TERRY EVERETT
OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. EVERETT. Mr. Speaker, I was reviewing tornado damaged areas in my district on Tuesday and thus was unable to vote during the following rolloc call votes. Had I been present, I would have voted as indicated below.


Additionally, due to flight delays on Wednesday, I missed the following morning rollcall votes. Had I been present, I would have voted as indicated below.

Rollocl No. 451, on Approving the Journal—"yes," rolloc No. 452, H. Con. Res. 77, expressing the sense of the Congress regarding the efforts of people of the United States of Korean ancestry to reunite with their family members in North Korea—"yes," and rolloc No. 453, H.R. 2722, Clean Diamond Trade Act—"yes."

RAYMOND M. DOWNEY POST OFFICE BUILDING

HON. STEVE ISRAEL
OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. ISRAEL. Mr. Speaker, I rise today to introduce a bill to designate the Deer Park Post Office as the “Raymond M. Downey Post Office Building.” New York lost many heroes on September 11th, but the loss of Chief Downey is an especially difficult one.

During the thirty-nine years he was a New York City firefighter, Chief Downey rescued countless people from what befell so many at the World Trade Center. The most decorated member of the City’s fire department, he led a FDNY rescue team to Oklahoma City and directed the recovery effort at the World Trade Center bombing in 1993. He will be sorely missed.

I ask my colleagues to support this bill and to join me in remembering Ray Downey.

HONORING THE CENTRAL TEXAS LABOR COUNCIL ON ITS 100TH ANNIVERSARY

HON. CHET EDWARDS
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. EDWARDS. Mr. Speaker, it is fitting that we extend our congratulations to the Central Texas Labor Council on the occasion of its One-Hundredth Anniversary, celebrated in Waco, Texas on October 20, 2001.

Originally chartered as the McLennan County Labor Council on October 31, 1901, the member-unions included the Leather Workers and Horse Goods, Local 45, the Stationary Fireman’s Union, the Tailors Local, Local 96 and the Federal Labor Union 8892. Another member, the Typographical Union, Local 188, was first chartered in 1881. In later years, the Musicians Union local represented organizers who accompanied silent films in local movie houses.

In the 1920s, local unions held a forty-hour workweek strike, and helped establish that as a basis for all contracts of labor. Other early job actions were for air conditioning, worker respect and safer workplaces.

In 1901, only unions in McLennan County were affiliated with the Council. Over time, it expanded to include eight counties, and in 1992, the name was changed to the Central Texas Labor Council. The organization now includes forty unions representing 14,000 workers.

Mr. Speaker, the nature of collective bargaining and labor-management relations have changed dramatically since the Council was born a century ago. Today, in Central Texas and across the nation, the vital role of labor unions and labor councils have been widely recognized for their contribution to safer and more productive workplaces with highly-skilled workforces, leading to more competitive enterprise, and ultimately, to a stronger and more stable U.S. economy.

Much has changed in one hundred years. However, the Central Texas Labor Council continues to speak, and fight when necessary, for the rights, the interests and the dignity of working men and women.

THANK YOU, DR. STEVEN E. HYMAN

HON. MARGE ROUKEMA
OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mrs. ROUKEMA. Mr. Speaker, I rise today to thank Dr. Steven E. Hyman for his outstanding and dedicated, work in the field of mental health through research, advocacy, and education. Dr. Hyman, director of the National Institute of Mental Health (NIMH) of the National Institutes of Health (NIH), will be leaving to assume his new responsibilities as provost of Harvard University on December 10. A leading scholar at the intersection of molecular neurobiology and psychiatry, Dr. Hyman will be gravely missed.

I personally regret Dr. Hyman’s departure, because he has been very helpful to me in my role as co-chair of the House Mental Health Working Group. He has shown strong and decisive leadership that has gone far to reduce the terrible stigma and discrimination that haunts those with mental disorders. As a leading scientist, Dr. Hyman very publicly and very often made the case that science has shown us that these disorders of the brain are real and they are treatable. As one who has focused on this issue for so long, I can tell you how necessary his strong and credible voice has been.

In 1996, Harold Varmus, then-director of the National Institutes of Health (NIH), named Dr. Hyman as director of the NIH, the federal agency charged with generating the knowledge needed to understand, treat, and prevent mental illness. His tenure has been marked by intensified efforts to bring molecular biology, genetics, neuroscience, and behavioral science all to bear, in integrated ways, on the understanding of mental illness and mental health. Most recently, Dr. Hyman has been a prominent voice for the NIH on the psychological effects both of the September 11th attacks and bioterrorism.

Dr. Hyman has been a great asset to us here in the House of Representatives. We have sought to understand mental illnesses and their effects on society. However the impact of his service has reached our constituents well. I am gratified by every person who tells me that they are no longer ashamed or guilty because they or a family member suffers from a mental disorder. I have had a long-time interest in the issues surrounding mental illnesses and I have valued Dr. Hyman’s leadership and commitment to encouraging and supporting the basic research that will enable us to develop effective new treatments—based on an understanding of the disease process itself.

Dr. Hyman has accomplished much during his tenure at the NIMH and for this I am grateful. His success in bringing research on mental disorders to the forefront of public consciousness has left an important and lasting legacy.

Mr. Speaker, I ask my colleagues to join me in gratitude for Dr. Steven Hyman’s dedication. We wish him all the best for the future. Our nation looks forward to his continuing contributions to our health and well being as he honors the halls of Harvard University.
PAYING TRIBUTE TO SUSAN MENCER

HON. SCOTT McINNIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 28, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to congratulate Susan Mencer on her new appointment as Director of the Office of Preparedness and Security for the State of Colorado. Susan will now play a key role in protecting the State of Colorado and who we call the nation from the threat of terrorism. This will be a challenging role for Susan, but I am confident she will prove herself most capable of leading Colorado in this time of national tragedy.

Providing our country from terrorism is not a new role for Susan. She began her service in 1978 as an agent for the Federal Bureau of Investigation. Her initial duties at the agency led her to the Office of Counterintelligence in New York. Serving as an agent, she was responsible for ensuring that foreign diplomats were not involved in spying or obtaining classified information concerning national security while posted in the United States. Susan's success propelled her to the FBI Headquarters in 1985, where she performed high-level roles as head of the budget unit for the Intelligence Division and Supervisor of Counterintelligence Operations.

In 1990, Susan went to the FBI Denver office and directed programs involving international criminal, counterterrorism, and counterintelligence. As a result of her dedication, Susan was named the Chief of the Joint Terrorism Task Force in Denver created in response to the Oklahoma City bombing in 1995. Enjoying retirement since 1998, Susan was again called to duty following the Columbine shooting incident and served on the investigation panel. Her commitment to the safety for schools and our children led to an appointment from Governor Bill Owens to head the Department of Public Safety.

Mr. Speaker, the State of Colorado is fortunate to have the opportunity to contribute to our efforts to counter terrorism in the State of Colorado. Her impressive resume speaks volumes for Susan's dedication and commitment to keep this nation safe and free from terrorism. I am honored to have Susan in this position and extend my thanks for her service to Colorado and her commitment to this nation.

NEW YORK CITY CONGRESSIONAL SESSION GAINS MOMENTUM

HON. CHARLES B. RANGEL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 28, 2001

Mr. RANGEL. Mr. Speaker, I rise today to share with you an article that appeared in the Hill newspaper on Wednesday, November 28, 2001. This news story is concerning H. Con. Res. 24, which was recently introduced, which provides for a joint session of Congress to be held in New York City early next year. I am pleased to have this opportunity to share this story with my colleagues.

[From the Hill, Nov. 28, 2001]

NYC CONGRESSIONAL SESSION GAINS MOMENTUM

(By Kerry Kantin)

Despite the logistic hurdles that confront the notion of convening a session of Congress outside of Washington, D.C., momentum is building behind the movement to conduct a symbolic, one-day joint session in New York City.

A resolution introduced last month has already captured the support of 63 House members. The House effort is spearheaded by New York State delegation Democratic chair Rep. Charlie Rangel, who is from Manhattan.

Rangel, working with New York State GOP delegation dean, Rep. Ben Gilman, has been actively corralling support from both his Democratic and bipartian colleagues.

"It would be historic. It would be a way of symbolizing the strike we took for the nation and the symbolism in it," said the 15-term Rangel in a phone interview last week.

"Any city or any town or village know the Congress is with them, like they're with New York City."

Rangel acknowledged that there are several logistical obstacles, including where the session would be held and security issues, to iron out, but said that should not get in the way of members’ support.

"No one's turning us down," Rangel added.

"I know I can get my colleagues to support me next week." Rangel and Gilman have written Dear Colleague letters, asking their support for the measure.

"We are equally impressed by our colleagues' support of a symbolic—but powerful—gesture to convene the Congress in New York for one day," write Rangel and Gilman in their Nov. 14 letter. "We believe such a session in the city where Congress first convened would be a powerful and meaningful expression of support for the victims of terrorism."

The session would also provide an opportunity for all lawmakers to meet with New Yorkers, the letter adds.

The movement to bring Congress to the Big Apple was catalyzed on the editorial page of the Sept. 25 New York Daily News. The New York tabloid wrote an editorial urging a joint session of Congress in New York City, even if it is only for one day.

Rangel quickly picked up the cause and introduced a resolution on Oct. 12. New York Sens. Hillary Rodham Clinton (D) and Charles Schumer (D), followed suit, introducing a companion resolution Nov. 15.

"We're working actively to see that it happen," said Schumer, "I will do everything in my power to support this effort."

"It would be a shot in the arm for New York."

In the House, the resolution has captured the support of 58 Republicans and 12 Democrats, ranging from Empire State liberals like Rep. Jerrold Nadler to Midwestern conservatives like Paul Hulahan (R-Ind.) and Don Manzullo (R-III.). The entire 31-member New York State delegation has signed on, as well as several other members from the Northeast.

With the exception of retiring House Minority Whip David Bonior (Mich), the entire Democratic leadership has pledged its support for the resolution, but no one from the House GOP leadership. It has, however, received the support of other influential Republicans, including Appropriations Committee Chairman Bill Young (Fla.) and Energy and Commerce Committee Chairman Billy Tauzin (La.).

"Everyone has been extremely receptive," Rangel said. "But what we're really concerned about in logistics, I hope they'll understand and give it a fair hearing. It seems to be a massive undertaking to move the mechanics of Congress to another location."

Rangel has focused his primary efforts on gaining as many signatures as he can and has sent a letter to his colleagues asking for their support.

"We are equally impressed by our colleagues' support of a symbolic, one-day joint session in New York City."
PAYING TRIBUTE TO DAVID KLAGER

HON. SCOTT MCNINNIS
OF COLORADO

IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. McNinns. Mr. Speaker, I would like to take this opportunity to pay tribute to the life and memory of David Denison Klager who recently passed away in Creede, Colorado on November 1, 2001. David, known to others as Dave, will always be remembered as a dedicated contributor to the community. His passion is a great loss for a town that relied on Dave for his kind heart, knowledge, and friendship.

As a member of the Creede community, Dave was constantly volunteering his time and energy for beneficial projects in the area. He served on the Board of Directors and as Treasurer for the Homeowner’s Association, President and Board of Directors for the Creede Repertory Theater, President of the Creede Historical Society, volunteer for the Creede Historical Museum, and member of the Arts Council. He also served as Senior Warden at St. Augustine’s Episcopal Church.

Dave was a lover of the outdoors and enjoyed the many activities that Colorado can offer. He was an avid hiker, snowmobiler, cross-country skier and canoer. His hobby was woodworking and his work can be seen throughout the City of Creede in places such as St. Augustine’s Church, the “Art Park”, and Creede Repertory Theater.

Mr. Speaker, Dave will be missed by the many whose lives he has touched in the community. It has always been known that his greatest passion was his love and dedication to his family. His wife Courtney, daughters Kim, Karol, and Karen, as well as several grandchildren survive Dave. It is with a solemn heart that we say goodbye and pay our respects to a patriarch of the Creede community. David Denison Klager dedicated his final years to his neighbors in the City of Creede, Colorado, and he will be greatly missed.
the necessary resources needed to wage this war and protect our nation and our world from terrorism.

Despite my support for this bill, I have strong reservations about the way this bill has placed an added emphasis on programs and provisions that do not address the most pressing needs of our nation.

For example, this measure provides $7.9 billion for an untested and unproven missile defense program, while providing only $613 million to improve federal, state, and local bioterrorism preparedness. By moving forward with a costly national missile defense system, we are investing billions of scarce federal dollars in an unproven and dangerous scheme while placing at risk the well-being of our nation in a time of national crisis.

In addition, this Defense Appropriations bill will cut critically needed funding from the Department of Labor’s employment and training administration to provide additional funding relief to assist New York’s efforts to recover from the September 11th terrorist attack. While there should be no doubting my commitment to the people of New York and their efforts to recover and rebuild after the terrorist attacks, I am concerned that the funding they need may come at the expense of other programs and initiatives deserved of funding.

Specifically, funding in this bill in the employment and training administration was to be used for the New National Emergency Grant program, which would allocate emergency funding to the states to provide health insurance, income support, and job search assistance and training for displaced workers following the September 11th attack. This includes a $24 million grant for the State of Minnesota to provide assistance to displaced airline employees who have lost their jobs when the government suspended domestic and international air travel. These layoffs have had a devastating impact on these individuals and their families and to Minnesota’s economy as a whole. With the huge influx of current layoffs, the state cannot meet the needs of these laid off workers without this emergency grant.

While this is not a perfect bill, with our nation at war, it is a necessary bill. It is imperative that our government continues to maintain a strong national defense, especially during this time of domestic and international crisis. However, in the weeks and months ahead we must also pledge our commitment to work as a unified Congress to provide increases in additional security, bioterrorism preparedness, and employee assistance measures. Furthermore, we must work to help New York recover and rebuild from the devastating attack of September 11th, as well as stimulating our economy and strengthening our nation’s infrastructure and safety measures.

CONGRATULATING CLEARFIELD, PENNSYLVANIA EMS

HON. BILL SHUSTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. SHUSTER. Mr. Speaker, I rise today to honor the outstanding achievements of the Clearfield, Pennsylvania Emergency Medical Service (EMS) Company. On August 10, 2001, the Pennsylvania Emergency Health Services Council chose Clearfield EMS from among 1,000 ambulance service companies statewide to receive the Rural Ambulance Service of the Year Award. Clearfield EMS garnered such an award not only through exemplary ambulance service, but also through its involvement in the community. Free flu shots and participation at county fairs and festivals are just a couple of the many ways that Clearfield EMS has taken the lead in community education and involvement.

In light of the tragic events of September 11, 2001, the role of the EMS workers, firefighters, and police officers of Central Pennsylvania is greater than ever. Clearfield EMS and their EMS counterparts throughout the area are among the first to respond to emergencies. For this important service to our communities, I am grateful. These individuals deserve all of our thanks for dedicating their lives to helping others.

Finally, I would like to recognize the following employees of Clearfield EMS by name: Paramedics: Scott Briggs, Timothy Lumadue, Christopher Miller, Scott Minich, Robert Mitchell, Michael Mowrey, Lewis Huff, Patrick Cooley. Emergency Medical Technicians (EMT): Vicky DeHaven, George DeHaven, Tracy Pentz, Melissa Miller, Lorie Bell, Stacy Huff, Frank Warholic, David McAllister, Brian Kellogg, Frank DeHaven, Carol DeSantis, Erin DeSantis. Administrative Staff: Terry Wiegfield, Manager; Chad Abrams, Assistant Manager; Pamela Charles, Office Manager; Dr. James DeSantis, Medical Director. Board of Directors: Gary C. Wiegfield, President; Gary L. Shugarts, Treasurer; Pamela Spencer, Secretary; Delford Wiegfield, Mathew Franson, Thomas Gina.

I congratulate Clearfield EMS on their exceptional accomplishments and their determination to improve their already stellar service. Clearfield EMS should serve as an example in excellence for other ambulance services nationwide.

A BILL TO PROVIDE TAX INCENTIVES TO BUSINESSES LOCATED IN LOWER MANHATTAN, THE LIBERTY ZONE AND HELP REBUILD THE ECONOMY AFTER THE SEPTEMBER 11, 2001 TERRORIST ATTACK

HON. AMO HOUPTON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. HOUGHTON. Mr. Speaker, I am honored to stand with several of my New York colleagues in introducing a bill, which will provide much-needed tax incentives for businesses to rebuild in lower Manhattan—this all after the massive destruction caused by the terrorist attack on September 11, 2001. None of us will forget the terrible losses of that day—loss of life and the most tragic being the heartache to so many families.

The World Trade Center towers were destroyed. Buildings were damaged or collapsed. The price tag to rebuild is staggering. But rebuilding the infrastructure and economy must start. This package is only part of the solution, but it is an important first step.

As New York Governor George Pataki said today, “The $6.1 billion package will offer incentives for businesses to generate jobs, spur innovation and investment in the Liberty Zone, helping us renew, restore and rebuild lower Manhattan.”

The bill includes five provisions which would authorize New York State to issue up to $15 billion in tax-exempt private activity bonds over the next 3 years to help renovate and rebuild commercial property, residential rental property and private utility infrastructure, (2) allow taxpayers to claim a additional 30 percent, first-year depreciation deduction for property located in the Liberty Zone, including buildings and building improvements, (3) provide a 5-year life for depreciating certain leasehold improvements, (4) increase by $35,000 to $59,000 the amount that can be expensed by small businesses under section 179, and (5) increase the replacement period from 2 to 5 years for property that was involuntarily converted in lower Manhattan so that taxpayers would not have to recognize gain.

I want to thank Chairman THOMAS and my colleagues for their help in working through this package. I urge your support.

MARKING THE PASSING OF MARY KAY ASH

HON. EDDIE BERNICE JOHNSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to salute the life and legacy of Mary Kay Ash. For more than four decades, Ms. Kay has been one of Texas’ most outstanding citizens and a business pioneer. Cosmetics sales were just a small part of the legacy she left for America. Her business made women feel better about themselves, regarding both their appearance and the possibility of success in business.

Ms. Kay changed the way women in business were perceived. She pioneered direct marketing in a way that has been emulated for years. She tapped talent that may have otherwise gone unused. All over America, women are more empowered because of the life of Mary Kay Ash.

Mary Kay Ash founded the cosmetic company that bears her name in 1963 with $5,000 in savings, using a hide tanner’s cream as her principle product. Since then, the color pink has been synonymous with quality cosmetic products and aggressive salespersonship. She was a phenomenal entrepreneur and, more importantly, an incredible motivator. One hundred fifty one women, so far, have recorded over $1.3 billion. Today, there are about 800,000 saleswomen and men who make up the Mary Kay global sales force. It is an extraordinary legacy for a phenomenal lady who grew up in a poor Houston neighborhood.

Mr. Speaker, Mary Kay Ash was one of Dallas-Fort Worth’s most dynamic icons. She died on November 22, 2001. I want to recognize the thoughts and prayers of the Thirtieth Congressional District, and the nation, be with her family and friends.
PAYING TRIBUTE TO DEBBIE TAMLIN

HON. SCOTT McINNIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize an outstanding individual from Ft. Collins, Colorado. Over the years Debbie Tamlin has distinguished herself as a business executive, a community leader, and a vital participant in our political process. Debbie’s achievements are impressive and it is my honor to recognize several of those accomplishments today.

Debbie was raised in Colorado and received a Bachelors of Arts in Communication Disorders from Colorado State University. In 1978, she received her Colorado Real Estate Sales License followed by her brokers license in 1980. Since then she has immersed herself in an outstanding real estate career and served in numerous capacities of support for her field. She has served as Director for the National Association of Realtors, President of the Women’s Council of Realtors, founding member of the Northern Colorado Legislative Alliance, Director of Colorado Association of Realtors, and the Director of Fort Collins Association of Realtors.

To help serve her community and State, Debbie has given her time and energy to the political process by providing guidance and support to aspiring political candidates. She has been a driving force in the Colorado Republican Party and worked on campaigns in various capacities for county commissioners, Congressmen, Senators, and even President George W. Bush. Debbie has also given her time to noble efforts in the community such as founding the Convention and Visitor’s Bureau and serving as a leader in groups such as Citizens for the Protection of Personal Property Rights, the Women’s Development Council, and the Colorado Women’s Leadership Coalition.

Mr. Speaker, Debbie Tamlin’s list of achievements has not been overlooked during her career and her efforts have been repeatedly awarded over the years. It is now my honor to congratulate Debbie on her most recent and well-deserved award from her own community, the Realtor of the Year award. Debbie has been a model citizen for the community and I extend my thanks to her for her efforts. Keep up the good work Debbie and good luck in your future endeavors.

TRIBUTE TO ROGER F. HONBERGER

HON. BOB FILNER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. FILNER. Mr. Speaker, December 31, 2001, will mark the passing of an era, an era of accomplishment in the field of intergovernmental relations. On that day, a pioneer in Washington representation for California public policy and project development will retire from service.

Roger F. Honberger comes from a humble upbringing of enterprising parents from the 1930s. His mother is a Native American, born into the Pechanga Band of California Mission Indians at the turn of the century, and is presently the oldest living Tribal member. Roger was the first member of his family to graduate from college, the result of extensive sacrifice by his parents. Following a career in the field of Urban Planning, he returned to graduate school, where he distinguished himself and received degrees from both the University of London, England and Harvard University.

In his early career, he served as a professional planner with the County of Riverside, City of San Diego, National Capital Planning Commission, and the U.S. Department of Housing and Urban Development. His federal experience in writing legislation, budget prepartion, and program management led him to the establishment of his own government relations consulting firm in 1970, Roger Honberger Associates, Inc. He pioneered a new industry of dedicated people working with the Congress and Federal Administrations on behalf of the intergovernmental needs of state and local governments. In today’s industry, this public affairs and government relations consulting firm in 1970, Roger Honberger Associates, Inc. He pioneered a new industry of dedicated people working with the Congress and Federal Administrations on behalf of the intergovernmental needs of state and local governments. Today, this industry serves countless public agencies from all corners of the nation.

Thirty years ago, Roger was selected from a field of 200 applicants by the County of San Diego to become its first Washington representative. At that time, the San Diego County Congressional Delegation consisted of Lionel Van Deerinck, Bob Wilson, and Jimmy Utt. The only other state or local governments that had full time Washington offices when Roger began his work for San Diego County were the State of California, the County of Los Angeles, and the Cities of Los Angeles and San Diego. These were the only general-purpose governments from any other part of our great nation in those days that maintained a full time presence in Washington, D.C.

In his thirty years of representing San Diego County, Roger directly served 27 different elected members of the County’s five person Board of Supervisors, and 8 different Chief Administrative Officers. The number of Congressional Districts in the County grew from 3 to 5 during the same period, and he worked closely with all 16 different Members of Congress elected from these districts since 1970. Five different Presidents recognized Roger for his work on public issues. He has also been recognized as Alumnus of the Year by the California State Polytechnic University, as well as by his High School Alumni Association from Perris, California. He is the only career County representative that the National Association of Counties has officially honored for professional accomplishments. He has had a truly remarkable career in public service.

A broad array of regional accomplishments in the County have benefited from Roger’s efforts in Washington, D.C. These include: the establishment of the region’s first alcohol de-toxification center; development of the first solid waste recycling program; a countywide gasoline vapor recovery program; harbor cleanup; welfare reform; a multitude of flood control and highway projects; San Diego Trolley project construction; Sheriffs Department funding; lagoon preservation; drug addiction treatment; children’s disease inoculation servcies; funding for quality program certification; and the prevention of offshore oil drilling, just to name a few. The list is long and impressive.

Five years ago, Roger invited his long-standing associate, Thomas Walters, to become his partner, and the firm’s name was changed to Honberger and Walters, Inc. For the past three years, Tom has been the firm’s chief executive officer and owner. The firm continues to manage the County’s Washington office. Their other clients include the San Diego Metropolitan Transit Development Board, North County Transit, San Diego Unified Port District, the Sweetwater Authority, the Counties of Riverside and Ventura, the Monterey-Salinas Transit District, the Calleguas Municipal Water District, and the Pechanga Band of Luiseño Indians.

Roger has long been recognized as one of the leaders in his field and has lectured on intergovernmental relations and lobbying practice at San Diego State University, U.S. International University, University of Maryland, and the University of Arizona. He continues to be involved in a variety of American Indian issues and was one of the founders of the Harvard University Native American Alumni Association.

Many of us in the Congress have worked with Roger Honberger during his distinguished career. We will miss his friendly disposition and his dedicated hard work on behalf of his clients. Above all, Roger is an outstanding American and a hard worker. We will miss his contributions to our nation and his dedicated hard work on behalf of his clients. Above all, Roger is an outstanding American and a hard worker. We will miss his contributions to our nation.

Mr. Speaker, Roger is a colleague, a friend, and a colleague. I join my good friend and colleague Jim McGovern in introducing this legislation that will help minority and women entrepreneurs in securing small business loans from private lending institutions. The Access and Openness in Small Business Lending Act will ensure that lending institutions are providing minorities and women opportunities to obtain small business loans.

This legislation is similar to the 1990 amendment to the Home Mortgage Disclosure Act (HMDA) that holds financial institutions publicly accountable for their lending practices to applicants. Like HMDA, the Access and Openness in Small Business Lending Act will allow applicants, for small business and non-mortgage loans, to voluntarily and anonymously provide their race and gender information to banks and other institutions. Lending institutions under this legislation will be required to disclose the collected data to the public. These institutions already maintain databases on the geographic and loan size of applicant requests. The additional information collected by lending institutions would help identify small business owners that remain under-served and expose additional profitable lending opportunities for lending institutions.
Minorities and women contribute greatly to our nation's economy and communities. Over the past decade they have expanded their ownership of small businesses. However, minorities and women continue to have difficulty gaining access to the resources they need to succeed in business. If granted greater access to private funds, more minority and women-owned small businesses would be able to pursue their dreams. This legislation is much needed step in the right direction that allows minorities and women an opportunity to succeed as small business entrepreneurs and contribute to their communities and the nation. Thank you.

RECOGNITION FOR ERNEST AND JULIA GALLO

HON. GARY A. CONDIT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. CONDIT. Mr. Speaker, it is a distinct privilege to rise today to honor two giants in the world of business and agriculture—Ernest and Julio Gallo.

Ernest, and his late brother Julio, are being inducted into the Stanislaus County Agricultural Hall of Fame. That alone speaks volumes about these two men in a region of the country known as the agricultural leader of the world.

The sum of their contributions is nearly impossible to evaluate. They easily take their place in history with great men of vision such as Henry Ford and Sam Walton who through hard work and determination transformed their dreams into reality.

Starting with a small family vineyard and winery, they strove for perfection and set a path others would struggle to find. They are part of a disappearing breed of hands-on discoverers and entrepreneurs who blazed a trail, proving the value of hard work, dedication and ambition.

Rarely in history does a name or a single word draw such a connotation as Gallo. The name alone is synonymous with wine and those who make in the same way Ford is synonymous with quality automobiles.

Mr. Speaker, volumes could be written about the contribution these men have made and will continue to make to the Central Valley of California from research to industry operation, production and viticulture. All of these things are intertwined in the history of the Gallo family enterprise.

Ernest and Julio Gallo have greatly impacted agriculture through their decades of leadership in the industry. Starting with a small family vineyard and winery, they strove for perfection, inventing the tools they needed when none existed, setting the path for others to follow. They built their business into the largest winery in the world. Their shared ambition to produce and market quality wines at affordable prices motivated them to continuously improve their operations, extending the family business to include grape growing, wine making, production of the bottles, warehousing, distributing, transporting and marketing wines throughout the world.

Ernest and Julio Gallo were instrumental in transforming the economy of grape growing, offering long-term contracts to independent farmers to upgrade the varieties of grape planted to meet future consumer demand for quality. California grape growers were able to then transform the California wine industry into the international phenomenon it is today. Ernest and Julio invested heavily in agricultural research and shared their learning with local farmers.

Through this investment and sharing, the Gallos helped improve the quality of grapes available in the region through better farming practices such as plant nutrition, irrigation and harvesting regimes. The Gallos helped educate generations of vineyard managers and wine makers through their support of curricula throughout the University of California and California State University systems. They undertook extensive research in wine making techniques to help farmers build and sustain the market by introducing new types of wines and methods of wine production. Today this global enterprise employs thousands of people worldwide, nearly 3,500 in and around Stanislaus County.

On a shoestring budget, Ernest and Julio created the "flagship" winery in the United States and put California on the map for wine. Their dream has translated into a global force for wine and wine making.

Mr. Speaker, Ernest and Julio always gave "All their best to those who work." I ask my colleagues to rise and join me in honoring two great men—Ernest and Julio Gallo—on the occasion of their being inducted into the Stanislaus County Agricultural Hall of Fame.

PAYING TRIBUTE TO WALTER WAYNE THOMPSON, JR.

HON. SCOTT MCINNIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize Walter Wayne Thompson Jr. and thank him for his service to this country. Walter began his service as a sailor in 1941, joining the Navy at the age of eighteen. By the end of his service, Walter had served on two ships involved in several famous and infamous battles in the Pacific theater.

Walter served on the U.S.S. Hornet as a stenographer to the ship's Captain. While serving on the ship, Wayne was present for the launching of the famous Doolittle Raid, America's first strike at the Japanese after Pearl Harbor. Following the raid, the Hornet engaged in the Battle of Midway, a battle considered a turning point in the war that stopped the Japanese fleet from controlling Hawaii.

Following Midway, the Japanese focused on the island of Guadalcanal. Here the Hornet's crew found itself tasked with the role of defending the island alone after Allied naval forces sustained heavy losses. After Guadalcanal, the crew fought in the Battle of Santa Cruz Island.

The Battle of Santa Cruz was to be the final engagement for the Hornet. The carrier was attacked and sunk by enemy forces and her crew rescued by the U.S.S. Anderson. After living through the travesty, Wayne finished his service aboard the U.S.S. Lexington, where he served until the end of the war. Following his discharge, he returned to his native state of Missouri and became a Baptist Minister. He served the ministry for over forty years before retiring in Montrose, Colorado.

Mr. Speaker, it is a great privilege to recognize Walter Wayne Thompson Jr. and thank him for his service during World War II. If not for dedicated citizens like Wayne, we would not enjoy the many freedoms we have today. Wayne Thompson served selflessly in a time of great need, bringing credit to himself and to this great nation.

WE MUST RELEASE AID TO HAITI

HON. JOHN CONYERS, JR.
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. CONYERS. Mr. Speaker, the U.S. must change its current policy towards Haiti. We, as the standard bearers cannot allow Haiti to further sink into a financial and social mire. It has always been America's role to feed those who are hungry and clothe those who cannot clothe themselves.

As we loosen our belts from our Thanksgiving feast, compare the fate of millions of Haitians to ourselves: According to the United Nations, sixty percent of Haiti's 8.2 million people are undernourished. The average number of calories available to Haitians per day is 1,777, nearly half of the 3754 calories a U.S. resident gets, according to the World Health Organization.

The Associated press recently published the following account of life in Haiti: "I'll eat anything I can get," said Jean, 25, as he pulls an empty crab trap out of the polluted Port-Au-Prince Bay. On a good day, Jean can earn $12 but often goes home empty handed. Pigs are raised on garbage and human waste, but their meat is too precious to be eaten by the impoverished residents. The pork is sold at the market for cheaper staples like corn and rice, which provides more days of nourishment.

The current policy of the U.S. is contributing to the continued attrition of the quality of life of Haiti's people, which if left unchanged, could lead to horrendous outcomes for the western hemisphere's poorest people. We must address the current state of economic devastation. We must remove our blockade of essentially all aid to Haiti.

The U.S. must stop using its veto power at the Inter-American Development Bank. This veto-prerogative is blocking development and humanitarian loans which covers a broad spectrum of critical social and economic priorities, such as health sector improvement, education reform, potable water enhancement and road rehabilitation.

Presently, the U.S. is precluding the issuance of the following loans from being dispersed by the Inter-American Development Bank: 21.5 million—Education, 22.5 million—Health, 55 million—Roads, and 60.9 million—Water.

The hold up of these loans is exasperating Haiti's current negative cash flow status with the Inter-American Development Bank. Although the Inter-American Development Bank...
is precluded from moving ahead with critical social and humanitarian loans, Haiti is still required to pay arrears payments and credit commissions on loans that it has not received. By the end of 2001, if nothing changes, Haiti will be in a negative cash flow position with the Inter-American Bank—paying more into the Bank than Haiti is receiving by approximately $10 million. Humanitarian and social indicators continue to drop dramatically. As well as, quality of life indicators, such as health and infant mortality, which continues to erode, devastating the humanitarian crisis creating a potentially devastating humanitarian crisis. The current rate of persons infected with HIV/AIDS is now 1.5 percent or 300,000 persons, creating 163,000 orphans; and 30,000 new cases per year. The infant mortality rate is 74 deaths out of every 1000 births; the doctor to patient ratio is 1.2 persons to 10,000 physicians; only 40 percent of the population has access to potable water; and 85 percent of adults are illiterate.

On November 8, 2001 the Congressional Black Caucus, in its entirety, sent a letter to the President requesting to speak with him regarding this vital issue. We have not yet heard any response. Mr. President, we need to hear from you. We need to end the suffering of millions of innocent individuals, we need to continue to be the standard bearer in foreign policy. We must not waiver in our ability to look beyond our political differences and move forcefully to help those in need.

Mr. President, we must ask, “Is the U.S. comfortable withholding these much needed Inter-American Bank loans from the millions of suffering Haitians in order to punish the Government of Haiti, especially at a time when the U.S. continues to aid other countries who have shown themselves to be much more villainous than Haiti?”

I think not, at least, I hope not.

IN REMEMBRANCE OF CARMELITA ZAMORA
HON. JOE BACA
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. BACA. Mr. Speaker, I rise in the memory of my beloved Aunt Carmelita Zamora and in commemoration of the close of an important history. Hers was a quiet life, and yet she played the central role in the life of her family. Her story began in Punt de Agua, New Mexico, on June 23, 1916. Carmelita Zamora left a legacy of nine children, 24 grandchildren and 34 great-grandchildren when she died on November 26, 2001. A loving and joyful memory survives her.

They say a person is measured by the lives she touches. Through the grace of God, Carmelita touched the hearts and lives of many. She touched the lives of her loving children Jake, Abram, Philip, Eugene, Lawrence, Wilferd, Edwina, Alice and Maryanne Peggy. She touched the lives of 24 grandchildren Diana, Mary, Mario, Laura, Donna, Carol, JD, JJ, Mark, Sophia, Dominic, Adonis, Valerie, Ricky, Jennifer, Anthony, Christopher, Jessica, Candace, Angel, Eloisa, Penny, Ermogenes, Lisa Marie and of 34 great-grandchildren.

Carmelita touched their lives in her very special way. Born the oldest of five siblings, Carmelita had two brothers and two sisters. When she was not yet a teenager, Carmelita developed the instincts of protector, caregiver and mother. Her own mother became ill, so Carmelita was forced to discontinue her elementary school education to care for her young siblings.

Carmelita began a new chapter in her life on March 11, 1935, at 20 years old, when she met and married Ernesto Zamora. In 1951, Carmelita and her family arrived in Barstow, California where she would live for the remainder of her life. Those remaining years would be spent filling the pages of a new history.

Carmelita was talented and creative. Her children proudly remember her ability to sew clothes and never use patterns. They swear that had she been born at another time and under easier conditions she would have been a famous fashion designer. Many memories stem from this talent of hers. Carmelita’s son Abram family members of how overalls she made him for school. They were so fine that when Abram arrived at school, all the other children begged for a pair of their own. Her granddaughter Penny treasures memories of spending time with her grandmother, talking while they washed clothes or while Carmelita sewed her overalls. Carmelita even spoke of life lessons in terms of clothing. “It doesn’t make any difference if you are poor,” they remember her saying. “It doesn’t matter if your clothes have patches as long as your shoes were shined and your clothes clean. That’s all that matters.”

Her son Gene fondly recalls receiving such advice from his mother every Monday night during their weekly conversation. Those calls got him through his week. Whether they discussed her love for the sport of wrestling or she was providing advice for his day-to-day trials. She was the source of his strength all his life.

All Carmelita’s legacies remember her as a very strong woman. Her daughter Edwina said, “She was there for me when my husband passed away at a very young age leaving me here with four young children. I couldn’t have made it through without her love and strength.”

She was there for all of her children in times of need. Forever a mother, she was responsible for getting many of them through very difficult times. She was a mentor and an unyielding resource. She never asked for anything but always wanted to give. She generously offered her advice and left it up to her children whether or not to take it.

Her grandchildren remember her not only as a source of strength but also a source of nourishment. Nourishment of the heart as well as the body. Granddaughter Lisa cherishes the time she spent with Carmelita watching soap operas and eating cookies and drinking sodas. Eloisa similarly remembers her grandmother always wanting to feed them even if they were not hungry. “She liked to feed everyone.”

This was because, as granddaughter Angel remembers, Grandma was the backbone of the family, she guided everything. She was a firm believer in God and always prayed to God to help the family in times of need. She also prayed to God for his blessings and in thanks for times of happiness. Aunt Carmelita is irreplaceable and we will not be able to live one day without remembering this kind and gentle woman. This tribute to her life, to her legacy and to her story will allow her memory to survive all of us.

And so Mr. Speaker, I submit this loving memorial to be included in the archives of the history of this great nation. For women like Carmelita are what make this nation great. Women like Carmelita leave a legacy of lives filled with love to all who knew her. She is the fabric from which our nation was created.

PAYING TRIBUTE TO KENNETH BAYLEY
HON. SCOTT McINNIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, November 29, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize Kenneth Bayley of Eckert, Colorado and thank him for his contributions to this nation. Kenneth began his service in the military in 1939 as a member of the Army Air Corps, and in 1942, Kenneth was assigned duty to the 14th Bomb Squadron on the island of Mindanao in the Philippines.

It was on this island that Kenneth learned of the surrender of Corregidor by Allied forces, thus ending the Allied resistance to the Japanese invasion of the Philippines. Believing surrender was not an option, Kenneth, along with members of his squadron, escaped to the mountains and joined the resistance movement. For the next year the airmen and local resistance fighters of Filipino and Moro tribesman origin used guerilla warfare tactics to ambush and control Japanese troop movements throughout the island. Their resistance was effective in keeping 150,000 Japanese soldiers tasked with the defense of the island’s airfield.

Kenneth then moved on to the island of Lianan and joined a resistance group commanded by Wendall Fertig, another American who refused to surrender to the Japanese. As a member of the group, Kenneth was tasked with the operation of one of Fertig’s many radio stations throughout the area. These stations’ function was to send encoded messages concerning enemy strength and troop movements to Allied forces. Kenneth led the Philippine islands in late 1943, escaping aboard an American submarine bound for Australia. He returned to the United States and served in the Air Force until 1962, eventually retiring with the rank of Captain.

Mr. Speaker, it is a great privilege to honor Kenneth Bayley for his service to this country. He served this country selflessly in a time of great need. By refusing to surrender and continuing the fight in the face of enormous opposition, Kenneth Bayley has brought great credit to himself and his nation, and deserves this body’s recognition.
DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2002

SPEECH OF
HON. TED STRICKLAND
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 29, 2001

The House in Committee of the Whole on the State of the Union had under consideration the bill (H.R. 3388) making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes:

Mr. STRICKLAND. Mr. Chairman, as our Nation feels the effects of our current recession, and Congress discusses economic stimulus package, we must insure we do all we can for the motor which drives our economy, the American Worker.

For much of the twentieth century, our great steel companies churned and poured out the material used to build our nation creating the skeleton of our battleships and skyscrapers. But since the 1990s, many of these once great companies have fallen victim to foreign competitors who dump cheap steel on the American market. This year domestic steel producers have been further affected by rising energy prices and a rising dollar exchange rate which favors foreign-based companies. More than two dozen U.S. steel producers have gone into bankruptcy, these include once giant companies such as Bethlehem, LTV, Republic and Wheeling Pittsburgh. Some mills have been forced to shut down entirely.

The Strickland Stupak, LaTourette Amendment to the Defense Appropriations bill will help an American industry ailing from the effects of globalization. Steel is a vital part of the economy of my State of Ohio and our nation as a whole. It ensures that none of the funds made available in the Defense Appropriations bill can purchase equipment, products or systems which contain steel not manufactured in the United States. As a Congress we must make sure the dollars we spend to fight our enemies abroad do not finance the destruction of the jobs and communities of Ohio steel workers.

FIGHTING THE SCOURGE OF TRAFFICKING IN WOMEN AND CHILDREN

HON. CHRISTOPHER H. SMITH
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. SMITH of New Jersey. Mr. Speaker, tonight I want to highlight our nation’s efforts to fight, and hopefully end, the scourge of trafficking in women and children. Earlier today, the International Relations Committee held an important oversight hearing on implementation of anti-trafficking legislation I authored, and which was signed into law last Congress.

As the Prime Sponsor of the Trafficking Victims Protection Act, H.R. 3244, I was pleased that our legislation attracted unanimous bipartisan support in both Houses of Congress, and was signed into law just over one year ago. We succeeded not only because this legislation is pro-woman, pro-child, pro-human rights, pro-family values, and anti-crime, but also because it addresses a horrendous problem that cries out for a comprehensive solution.

Each year as many as two million innocent victims—of whom the overwhelming majority are women and children—are brought by force and/or fraud into the international commercial sex industry and other forms of modern-day slavery. The Act was necessary because previous efforts by the United States government, international organizations, and others to stop this brutal practice had proved unsuccessful. Indeed, all the evidence suggests that the most severe forms of trafficking in persons are far more widespread than they were just a few years ago.

My legislation was designed to give our government the tools we believed it needed to eliminate slavery, and particularly sex slavery. The central principle behind the Trafficking Victims Protection Act is that criminals who knowingly operate enterprises that profit from sex acts involving persons who have been brought across international boundaries for such purposes by force or fraud, or who force human beings into slavery, should receive a punishment commensurate with the penalties for kidnapping and forcible rape. This would be not only a just punishment, but also a powerful deterrent. And the logical corollary of this principle is that we need to treat victims of these terrible crimes as victims, who desperately need our help, compassion, and protection.

As the implementation of this important legislation moves forward, success will depend, in large part, on the development of a large coalition of citizen organizations that are out there on the streets helping these victims дня and day out. The problem is simply too big for any one, or even several, governments to tackle alone.

That is why I am so pleased to learn that outside advocacy and relief organizations are continuing to join the fight against human trafficking. Father Stan DeBoe, with the Conference of Major Superiors of Men, CMSM, is one such civic leader who deserves special recognition of his efforts, and the efforts of the CMSM. The CMSM, for those who are unfamiliar with their work, is the leadership of the Catholic orders and congregation of the 20,000 vowed religious priests and brothers of the United States. The CMSM is the voice of these Catholic priests and brothers in the U.S., and also collaborates with the U.S. bishops and other Catholic organizations which serve the Church, and our society.

I have included, as part of the RECORD, a recent resolution jointly adopted by the CMSM and the Leadership Conference of Women Religious, LCWR, on August 26 during a conference in Baltimore, Maryland.

Like all laws, however, this law is only as good as its implementation. And, frankly, I have been deeply concerned at the slow pace of implementation of the Trafficking Victims Protection Act. A year after enactment of this legislation, and the important provision that the Secretary of State designated as ‘true believers’—are now required to report to the Administration every six months on the progress toward implementation of anti-trafficking efforts. The Act required the Administration to make these reports on a continuing basis.

Mr. Chairman, we successfully passed this Act, and the Administration must be held accountable for implementing it. I am pleased that the Administration has now issued the first of these reports which I am certain will be released soon. This milestone is critical—the Administration cannot be trusted to police its own actions and assure domestic and international governments are living up to their obligations. The Administration must be held accountable to the Congress and the American people.

I should also say that I am profoundly encouraged by the fact that the Administration has been able to recruit Dr. Laura Lederer to bring her expertise and commitment to the State Department’s anti-trafficking effort. Dr. Lederer is generally regarded as the world’s leading expert on the pathology of human trafficking and the Protection Act she headed has provided the factual and analytical basis for most of the work that has been done so far to combat human trafficking. Through the long process of consideration and enactment of the Trafficking Victims Protection Act, Laura was our mentor and our comrade-in-arms. I commend Under Secretary Dobriansky, for this important choice.

Finally, I want to emphasize the principles behind the Trafficking Victims Protection Act. I take it place to none in my commitment to workers’ rights, but this is not a labor law and it is not an immigration law—it is a comprehensive attack on human slavery, and especially sex slavery. It emphatically rejects the principle that commercial sex should be regarded as legitimate forms of exploitation—this Administration will rely on people who fully support the law they are implementing, rather than on those who never liked it and who may seek to evade or ignore some of its most important provisions.

What we need to make this law work are “true believers” who will spare no effort to mobilize the resources and the prestige of the United States government to implement this important Act and shut down this terrible trade which routinely violates the most fundamental human rights of this world’s most vulnerable people.

RESOLUTION OPPOSING TRAFFICKING IN WOMEN AND CHILDREN

STATEMENT OF RESOLUTION

LCWR and CMSM stand in support of human rights by opposing trafficking of women and children for purposes of sexual exploitation and forced labor, and will educate others regarding the magnitude, causes, and consequences of this abuse.

RATIONALE

1. At their May 2001 plenary session in Rome, the International Union of Superiors General, leaders of more than 780 congregations of women religious having a total membership of one million, endorsed a resolution opposing the abuse of women and children, with particular sensitivity to the trafficking and sexual exploitation of women. UISG resolved that this issue be addressed from a contemplative stance as an expression of a fully incarnated feminine spirituality in solidarity with women all over the world, who remain undone.

2. An LCWR goal is to work for a just world order by using our corporate voice and influence in solidarity with people who experience
poverty, racism, powerlessness or any other form of violence or oppression. A CMSM goal is to provide a corporate influence in church and society.

3. The Platform for Action of the UN Fourth World Conference on Women held in Beijing, 1995, included the strategic objective to eliminate trafficking and assist victims of violence due to prostitution and trafficking.

4. Each year between 700,000 and 2 million women and children are trafficked across international borders, with more than 50,000 women trafficked into the U.S. (USISG papers) each year. They are sold from也是很强大。考虑到联合国打击人口贩卖的倡议

1. Deepen our understanding of the realities of trafficking and its integral relationship with poverty, male dominance, and the globalization of trade.

2. Join with UISG as they call for specific days of international prayer, contemplation, and fasting to unite religious in prayer throughout the world.

3. Encourage education about trafficking, prostitution, and workplace slavery in sponsored schools, colleges, and universities and in adult educational ministries.

4. If feasible, collaborate in applying for federal funds from the Department of Health and Human Services in implementation of HR 3244 to provide services to victims of trafficking.

The Conference of Major Superiors of Men (CMSM) serves the leadership of the Catholic orders and congregations of the 20,000 vowed religious priests and brothers of the United States, ten percent of whom are foreign missionaries. CMSM provides a voice for these communities in the U.S. church and society. CMSM also collaborates with the U.S. bishops and other key groups and organizations that serve church and society.

The Leadership Conference of Women Religious (LCWR) has approximately 1,000 members who are the elected leaders of their religious orders, representing 81,000 Catholic sisters in the United States. The Conference develops leadership, promotes collaboration within church and society, and serves as a voice for systemic change.

PAYING TRIBUTE TO JOHN HENDERSON

HON. SCOTT McINNIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to the life and memory of John Henderson who recently passed away in Grand Junction, Colorado on November 17, 2001. John will always be remembered as a kind, compassionate man who was willing to give people a chance in life. This resonated on the football field where John was always willing to give players the opportunity to shine. He was a successful leader on the gridiron, and in the face of insurmountable odds encouraged his players to their best.

Mr. Speaker, John will be missed by many in this community. It has always been known that his greatest passion was his love and dedication to his family. It is with a solemn heart that we pay our respects to his family and friends, and to all those who were touched by John during his life. John Henderson dedicated many years to this community, and he will be greatly missed.

HAITI STATEMENT BY REP. MAXINE WATERS

HON. MAXINE WATERS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Ms. WATERS. Mr. Speaker, Haiti is the poorest country in the Western Hemisphere. Yet the U.S. government is blocking aid to Haiti in order to expand the influence of a single Haitian political party. This party, known as the Democratic Convergence, is supported by less than four percent of the Haitian electorate.

Meanwhile, Haiti’s population is facing a serious humanitarian crisis. Haiti’s per capita income is only $460 per year. Four percent of the population is infected with the AIDS virus, and 163,000 children have been orphaned by AIDS. Every year, there are 30,000 new AIDS cases. The infant mortality rate is over seven percent. For every 1000 infants born in Haiti, five women die in childbirth. Furthermore, there are only 1.2 doctors for every 10,000 people in this desperately poor country.

Not only has the United States suspended development assistance to Haiti, the United States is also blocking loans from international financial institutions such as the World Bank, the International Monetary Fund (IMF) and the Inter-American Development Bank. U.S. policy has effectively prevented Haiti from receiving $146 million in loans from the Inter-American Development Bank that were already approved by that institution’s Board of Directors. These loans are desperately needed by the people of Haiti.

It’s time for the United States to end this political impasse and restore bilateral and multilateral assistance to this impoverished democracy.

WTO NEGOTIATIONS AND TRADE PROMOTION AUTHORITY

HON. GARY A. CONDIT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. CONDIT. Mr. Speaker, as Congress continues to debate the Farm Bill, U.S. trade negotiations at the WTO Ministerial in Doha agreed that future trade talks would seek to limit domestic farm programs, including phasing out of forms of export subsidies and substantial reductions in trade-distorting domestic support. The decisions in Doha line up U.S. trade negotiators to eliminate U.S. farm programs as a chill in exchange for better overseas market access for U.S. banks and other service providers.

The negotiating goal of significantly reducing “trade-distorting” farm programs presents a real problem for Congressionally mandated farm programs. While U.S. negotiators have agreed to work towards phasing out forms of export subsidies and substantially reducing trade-distorting domestic support, the House of Representatives recently passed H.R. 2646, the Farm Security Act. H.R. 2646 provides $409.7 billion in market price support programs, loan deficiency programs and marketing loan assistance to struggling farmers for the next 10 years—farmers who are struggling in large part due to cheap, subsidized foreign imports and restrictive trade laws abroad.

If this hit on U.S. agriculture policy were not damaging enough, U.S. trade negotiators re-opened our country’s longstanding position against putting U.S. anti-dumping laws on the WTO negotiating table. These trade laws are farmers’ last defense when countries dump below-cost commodities on the U.S. market. Yet the United States agreed to immediate negotiations in this area, even though a long list of WTO countries including Brazil, Japan and Australia have stated clearly that their only purpose for seeking such talks is to weaken existing U.S. trade law.

While the Administration has opened the door for reducing domestic assistance to U.S. farmers and weakening anti-dumping laws, it is also pushing for Trade Promotion Authority from Congress. If TPA is granted, Congress loses its ability to influence the substance of agriculture negotiations. Under TPA, Congress cannot remove or amend offensive agricultural provisions, it can only reject the entire WTO negotiated pact. Under these conditions, American agriculture is at risk when negotiators are willing to compromise U.S. producers’ interests in exchange for new market access for U.S. telecommunications firms, banks and other service providers in other nations.

While I fully appreciate the opportunities of a global marketplace for our farmers, it is irresponsible to oversell the benefits of free trade that is not fair. Agriculture remains in a precarious position for further WTO discussions. Congress must not relax its vigilance over trade deals that compromise American agriculture.

PAYING TRIBUTE TO GORDON HABERT

HON. SCOTT McINNIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES

Thursday, November 29, 2001

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to recognize an outstanding individual from Grand Junction, Colorado. Over the years, Gordon Habert has distinguished himself as a business, community, and industry leader for Grand Junction. Gordon’s dedication is impressive and it is my
Gordon is a third generation owner of Harbert Lumber Company located in Grand Junction. The company has served the community since 1937 and continues to provide quality products and service to the entire Western Slope of Colorado, Utah, and Wyoming. As an industry leader, Gordon serves on the Board of Directors of the Western Colorado Business Development Corp, and has created a new philanthropy role for Harbert Lumber business. In this role, the company has donated building materials and equipment to organizations such as Camp Kiwanis and the Salvation Army for much needed improvements and renovations.

Gordon has also distinguished himself as a leader in the community by volunteering his time and efforts to several organizations in the area. He created and served as Chairman of the Western Slope Golf Tournament for over a decade, only recently stepping down to take on new responsibilities. He is a great supporter of the Young Life’s Christian Outreach program, and served as Chairman of the local Kiwanis Club. Gordon has also been actively involved with Mesa Developmental Services by providing woodworking equipment to create products for the organization to promote and sell in his store and to the community.

Mr. Speaker, Gordon Harbert’s dedication led to his recognition in 1996 as Citizen of the Year by the Chamber of Commerce acknowledging his dedication to his employees, his community, and friends. It is now my honor to congratulate Gordon on his most recent and well-deserved award from the industry community, Lumberman of the Year, presented by the Mountain States Lumber and Building Material Dealers Association. Gordon has been a model citizen to the community and I extend my thanks to him for his efforts. Keep up the hard work Gordon and good luck in your future endeavors.
Thursday, November 29, 2001

Daily Digest

HIGHLIGHTS


Senate

Chamber Action

Routine Proceedings, pages S12113–S12218

Measures Introduced: Six bills were introduced, as follows: S. 1742–1747. Page S12161

Measures Reported:

- Special Report entitled “Report to the Senate on Activities of the Committee on Environment and Public Works for the One Hundred Sixth Congress”. (S. Rept. No. 107–100)

- H.R. 1499, to amend the District of Columbia College Access Act of 1999 to permit individuals who graduated from a secondary school prior to 1998 and individuals who enroll in an institution of higher education more than 3 years after graduating from a secondary school to participate in the tuition assistance programs under such Act, with an amendment in the nature of a substitute. (S. Rept. No. 107–101)

- H.R. 2061, to amend the charter of Southeastern University of the District of Columbia. (S. Rept. No. 107–102)

- H.R. 2199, to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia. (S. Rept. No. 107–103)

- H. Con. Res. 88, expressing the sense of the Congress that the President should issue a proclamation recognizing a National Lao-Hmong Recognition Day.

- S. Res. 140, designating the week beginning September 15, 2002, as “National Civic Participation Week”.

Measures Passed:

Drug-Free Communities Support Program Extension: Senate passed H.R. 2291, to extend the authorization of the Drug-Free Communities Support Program for an additional 5 years, and to authorize a National Community Antidrug Coalition Institute, clearing the measure for the President. Page S12216

Smithsonian Institution Appointment: Committee on Rules and Administration was discharged from further consideration of S.J. Res. 26, providing for the appointment of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution, and the resolution was then agreed to. Page S12217

Comprehensive Retirement Security and Pension Reform Act: Senate agreed to the motion to proceed to consideration of H.R. 10, to provide for pension reform, and then began consideration of the bill, taking action on the following amendments proposed thereto:

- Daschle (for Hatch/Baucus) Amendment No. 2170, in the nature of a substitute. Pages S12214–19, S12138–40

- Lott/Murkowski/Brownback Amendment No. 2171 (to Amendment No. 2170), to enhance energy conservation, research and development, and to provide for security and diversity in the energy supply for the American people. Page S12138

During consideration of this measure today, Senate also took the following actions:

- By 96 yeas to 4 nays (Vote No. 343), three-fifths of those Senators duly chosen and sworn having voted in the affirmative, Senate agreed to the motion to close further debate on the motion to proceed to the bill, listed above. Page S12119
A motion was entered to close further debate on Lott Amendment No. 2171 (to Amendment No. 2170), listed above and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Monday, December 3, 2001.

A motion was entered to close further debate on Daschle (for Hatch/Baucus) Amendment No. 2170 (listed above) and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Monday, December 3, 2001.

A motion was entered to close further debate on the bill (listed above) and, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, a vote on the cloture motion will occur on Monday, December 3, 2001.

Measures Indefinitely Postponed:


Commerce/Justice/State Appropriations: S. 1215, making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 2002.

VA–HUD Appropriations: S. 1216, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations and offices for the fiscal year ending September 30, 2002.

Economic Security and Recovery Act Agreement: A unanimous-consent agreement was reached providing for consideration of H.R. 3090, to provide tax incentives for economic recovery.

Nominations Confirmed: Senate confirmed the following nominations:

John Thomas Korosmo, of North Dakota, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2009. (Reappointment)

John Thomas Korosmo, of North Dakota, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2002.

Franz S. Leichter, of New York, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2006.

Allan I. Mendelowitz, of Connecticut, to be a Director of the Federal Housing Finance Board for a term expiring February 27, 2007.

2 Air Force nominations in the rank of general.

42 Army nominations in the rank of general.

Routine lists in the Air Force, Army, Navy.

Nominations Received: Senate received the following nominations:

J. Joseph Grandmaison, of New Hampshire, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 2005.

Jeanette J. Clark, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Messages From the House:

Measures Referred:

Measures Placed on Calendar: Pages S12113, S12156

Measures Read First Time:

Executive Communications:

Executive Reports of Committees:

Additional Cosponsors:

Statements on Introduced Bills/Resolutions:

Additional Statements:

Amendments Submitted:

Authority for Committees to Meet:

Record Votes: One record vote was taken today. (Total–343)

Adjournment: Senate met at 9 a.m., and adjourned at 8:17 p.m., until 9:30 a.m., on Friday, November 30, 2001. (For Senate’s program, see the remarks of the Acting Majority Leader in today’s Record on page S12217.)

Committee Meetings

(Committees not listed did not meet)

BIOTERRORISM PREPAREDNESS

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education held hearings to examine funding for bioterrorism preparedness, focusing on increased surveillance and epidemiological capacity, coordination of community disaster response plans, and improvement of decontamination and treatment facilities, receiving testimony from Jeffrey P. Koplan, Director, Centers for Disease Control and Prevention, and Anthony S. Fauci, Director, National Institute of Allergy and Infectious Diseases, National Institutes of Health, both of the Department of Health and Human Services;

Hearings recessed subject to call.

NOMINATIONS
Committee on Armed Services: Committee ordered favorably reported 350 nominations in the Army, Navy, and Air Force.

HOUSING AND URBAN DEVELOPMENT
Committee on Banking, Housing, and Urban Affairs: Committee concluded hearings to examine housing and community development needs, focusing on the fiscal year 2003 housing and urban development budget, after receiving testimony from Raymond A. Skinner, Maryland Department of Housing and Community Development, Crownsville, on behalf of the National Council of State Housing Agencies; Barbara Sard, Center on Budget and Policy Priorities, and Kurt Creager, National Association of Housing and Redevelopment Officials, both of Washington, D.C.; Edgar O. Olsen, University of Virginia, Charlottesville; David W. Curtis, Leon N. Weiner and Associates, Inc., Wilmington, Delaware, on behalf of the National Association of Home Builders; and F. Barton Harvey, Enterprise Foundation, Columbia, Maryland.

NOMINATIONS
Committee on Commerce, Science, and Transportation: Committee ordered favorably reported the nominations of Arden Bement, Jr., of Indiana, to be Director of the National Institute of Standards and Technology, Conrad Lautenbacher, Jr., of Virginia, to be Under Secretary for Oceans and Atmosphere, both of the Department of Commerce, R. David Paulison, of Florida, to be Administrator of the United States Fire Administration, Federal Emergency Management Agency, William Schubert, of Texas, to be Administrator of the Maritime Administration, Department of Transportation, and certain Coast Guard nominations.

BUSINESS MEETING
Committee on Finance: Committee ordered favorably reported S. 525, to expand trade benefits to certain Andean countries, with an amendment in the nature of a substitute.

NOMINATIONS
Committee on Foreign Relations: Committee concluded hearings on the nominations of John V. Hanford III, of Virginia, to be Ambassador at Large for International Religious Freedom, Arthur E. Dewey, of Maryland, to be Assistant Secretary of State for Population, Refugees, and Migration, and John D. Ong, of Ohio, to be Ambassador to Norway, after the nominees testified and answered questions in their own behalf. Mr. Dewey was introduced by Representative Tony Hall.

NOMINATIONS
Committee on Foreign Relations: Committee concluded hearings on the nominations of James David McGee, of Florida, to be Ambassador to the Kingdom of Swaziland, Kenneth P. Moorefield, of Florida, to be Ambassador to the Gabonese Republic, and the nomination of John Price, of Utah, to be Ambassador to the Republic of Mauritius, and to serve concurrently and without additional compensation as Ambassador to the Federal and Islamic Republic of The Comoros and Ambassador to the Republic of Seychelles. Mr. Price was introduced by Senators Hatch and Bennett.

WMD PROLIFERATION
Committee on Governmental Affairs: Subcommittee on International Security, Proliferation and Federal Services concluded hearings to examine combating proliferation of weapons of mass destruction with non-proliferation assistance programs and coordination, and a related measure, S. 673, to establish within the executive branch of the Government an inter-agency committee to review and coordinate United States nonproliferation efforts in the independent states of the former Soviet Union, after receiving testimony from Vann H. Van Diepen, Acting Deputy Assistant Secretary of State for Non-Proliferation; Marshall S. Billingslea, Deputy Assistant Secretary of Defense for Negotiation Policy; Kenneth E. Baker, Principal Assistant Deputy Administrator for Defense Nuclear Nonproliferation, National Nuclear Security Administration, Department of Energy; and Matthew S. Borman, Deputy Assistant Secretary of Commerce for Export Administration.

BUSINESS MEETING
Committee on the Judiciary: Committee ordered favorably reported the following business items:
S. 986, to allow media coverage of court proceedings;
S. 304, to reduce illegal drug use and trafficking and to help provide appropriate drug education, prevention, and treatment programs, with an amendment in the nature of a substitute;
S. Res. 140, designating the week beginning September 15, 2002, as “National Civic Participation Week”;
H. Con. Res. 88, expressing the sense of the Congress that the President should issue a proclamation
recognizing a National Lao-Hmong Recognition Day; and

The nominations of Harris L. Hartz, of New Mexico, to be United States Circuit Judge for the Tenth Circuit, John D. Bates, of Maryland, to be United States District Judge for the District of Columbia, Kurt D. Engelhardt, to be United States District Judge for the Eastern District of Louisiana, Joe L. Heaton, to be United States District Judge for the Western District of Oklahoma, William P. Johnson, to be United States District Judge for the District of New Mexico, Clay D. Land, to be United States District Judge for the Middle District of Georgia, Frederick J. Martone, to be United States District Judge for the District of Arizona, Danny C. Reeves, to be United States District Judge for the Eastern District of Kentucky, and Julie A. Robinson, to be United States District Judge for the District of Kansas; James Edward Rogan, of California, to be Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office; and Thomas L. Sansonetti, of Wyoming, to be Assistant Attorney General for the Environment and Natural Resources Division, David R. Dugas, to be United States Attorney for the Middle District of Louisiana, Edward Hachiro Kubo, Jr., to be United States Attorney for the District of Hawaii, James A. McDevitt, to be United States Attorney for the Eastern District of Washington, David E. O'Melia, to be United States Attorney for the Northern District of Oklahoma, Sheldon J. Sperling, to be United States Attorney for the Eastern District of Oklahoma, and Johnny Keane Sutton, to be United States Attorney for the Western District of Texas, Richard S. Thompson, to be United States Attorney for the Southern District of Georgia, all of the Department of Justice.

Also, the committee announced the following sub-committee assignments:

Subcommittee on Administrative Oversight and the Courts: Senators Schumer (Chairman), Leahy, Kennedy, Feingold, Durbin, Sessions (Ranking Member), Thurmond, Grassley, and Specter.

Subcommittee on Antitrust, Competition and Business and Consumer Rights: Senators Kohl (Chairman), Leahy, Feingold, Schumer, Cantwell, Edwards, DeWine (Ranking Member), Hatch, Thurmond, Specter, and Brownback.

Subcommittee on the Constitution: Senators Feingold (Chairman), Leahy, Kennedy, Schumer, Durbin, Thurmond (Ranking Member), Hatch, Kyl, and McConnell.

Subcommittee on Crime and Drugs: Senators Biden (Chairman), Leahy, Feinstein, Kohl, Durbin, Cantwell, Edwards, Grassley (Ranking Member), Hatch, DeWine, Sessions, Brownback, and McConnell.

Subcommittee on Immigration: Senators Kennedy (Chairman), Feinstein, Schumer, Durbin, Cantwell, Edwards, Brownback (Ranking Member), Specter, Grassley, Kyl, and DeWine.

Subcommittee on Technology, Terrorism and Government Information: Senators Feinstein (Chairman), Biden, Kohl, Cantwell, Edwards, Kyl (Ranking Member), DeWine, Sessions, and McConnell.

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House of Representatives

Chamber Action

Reports Filed: Reports were filed today as follows:

H.R. 1022, to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials, amended (H. Rept. 107–305);

H.R. 3209, to amend title 18, United States Code, with respect to false communications about certain criminal violations, amended (H. Rept. 107–306); and

H.R. 3275, to implement the International Convention for the Suppression of Terrorist Bombings to strengthen criminal laws relating to attacks on places of public use, to implement the International Convention of the Suppression of the Financing of Terrorism, to combat terrorism and defend the Nation against terrorist acts, amended (H. Rept. 107–307).

(See next issue.)

Journal: The House agreed to the Speaker's approval of the Journal of Wednesday, Nov. 28 by a yea-and-nay vote of 349 yeas to 48 nays with 1 voting "present," Roll No. 459.

Pages H8567–68

Member Sworn—Third Congressional District of Arkansas: Representative-elect John K. Boozman of the Third Congressional District of Arkansas presented himself in the Well of the House and was administered the oath of office by the Speaker.

Pages H8568–69
Terrorism Risk Protection Act: The House passed H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism by a recorded vote of 227 ayes to 193 noes, Roll No. 464.

Rejected the LaFalce motion to recommit the bill to the Committee on Financial Services with instructions to report it back forthwith with amendments that strike section 15 dealing with tort provisions and prevents past through of costs related to industry assessments to cover insured losses resulting from acts of terrorism by a recorded vote of 173 ayes to 243 noes, Roll No. 463.

Pursuant to the rule, the amendment in the nature of a substitute consisting of the text of H.R. 3357, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, was adopted.

Rejected the LaFalce amendment in the nature of a substitute printed in H. Rept. 107–304 that sought to include an insurance industry deductible of $5 billion, require terrorism coverage as part of commercial property and casualty insurance, and specifies no limits on tort actions or recoveries by a yea-and-nay vote of 197 yeas to 222 nays, Roll No. 462.

H. Res. 297, the rule that providing for consideration of the bill was agreed to by a recorded vote of 216 ayes to 202 noes, Roll No. 461. Earlier agreed to order the previous question by a yea-and-nay vote of 220 yeas to 204 nays, Roll No. 460.

Muscular Dystrophy Community Assistance, Research and Education Amendments: The House agreed to the Senate amendment to H.R. 717, to amend the Public Health Service Act to provide for research and services with respect to Duchenne muscular dystrophy—clearing the measure for the President.

Recess: At 7:56 the House is in recess subject to the call of the Chair.

Senate Messages: Messages received from the Senate today appear on page H8568.

Referral: S. 1741 was held at the desk.

Quorum Calls—Votes: Three yea-and-nay votes and three recorded votes developed during the proceedings of the House today and appear on pages H8568, H8588, H8588–89, H8626–27, H8628–29, H8629–30. There were no quorum calls.

Adjaornment: The House met at 10 a.m. and at 7:56 p.m. stands in recess subject to the call of the Chair.

Committee Meetings

RISK COMMUNICATION: NATIONAL SECURITY AND PUBLIC HEALTH

Committee on Government Reform: Subcommittee on National Security, Veterans Affairs, and International Relations held a hearing on “Risk Communication: National Security and Public Health.” Testimony was heard from David Satcher, M.D., U.S. Surgeon General, Department of Health and Human Services; C. Everett Koop, M.D., former U.S. Surgeon General; and public witnesses

TRAFFICKING VICTIMS PROTECTION ACT IMPLEMENTATION

Committee on International Relations: Held a hearing on Implementation of the Trafficking Victims Protection Act. Testimony was heard from the following officials of the Department of State: Paula J. Dobriansky, Under Secretary, Global Affairs; and Janet Ballantyne, Acting Deputy Administrator, AID; Ralph F. Boyd, Assistant Attorney General, Civil Rights, Department of Justice; Wade Horn, Assistant Secretary, Children and Families, Department of Health and Human Services; and public witnesses.

OVERSIGHT—JUDICIAL MISCONDUCT STATUTES

Committee on the Judiciary: Subcommittee on Courts, the Internet and Intellectual Property held an oversight hearing on “The Operations and Federal Judicial Misconduct and Recusal Statutes.” Testimony was heard from William L. Osteen, U.S. District Judge, Middle District of North Carolina; and public witnesses.

INTERNET GAMBLING MEASURES

Committee on the Judiciary: Subcommittee on Crime held a hearing on the following bills: H.R. 556, Unlawful Internet Gambling Funding Prohibition Act; and H.R. 3215, Combatting Illegal Gambling Reform and Modernization Act. Testimony was heard from Representatives Goodlatte and Leach; Timothy A. Kelly, former Executive Director, National Gambling Impact Study Commission; and Frank Catania, former Director, Division of Gaming Enforcement, State of New Jersey.
NEW PUBLIC LAWS

(For last listing of Public Laws, see Daily Digest, of Tuesday, November 27, 2001, p. D 1168)

H. R. 768, to amend the Improving America’s Schools Act of 1994 to extend the favorable treatment of need-based educational aid under the antitrust laws. Signed on November 20, 2001. (Public Law 107–72)

H. R. 2620, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2002. Signed on November 26, 2001. (Public Law 107–73)

H. R. 1042, to prevent the elimination of certain reports. Signed on November 28, 2001. (Public Law 107–74)


H. R. 2924, to provide authority to the Federal Power Marketing Administrations to reduce vandalism and destruction of property. Signed on November 28, 2001. (Public Law 107–78)

COMMITTEE MEETINGS FOR FRIDAY, NOVEMBER 30, 2001

(Committee meetings are open unless otherwise indicated)

Senate

No meetings/hearings scheduled.

House

No committee meetings are scheduled.

Joint Meetings

Conference: meeting of conferees on H. R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind, 10 a.m., HC–5, Capitol.
Next Meeting of the SENATE
9:30 a.m., Friday, November 30

Senate Chamber

Program for Friday: Senate will be in a period of morning business.

Next Meeting of the HOUSE OF REPRESENTATIVES
9 a.m., Friday, November 30

House Chamber

Program for Friday: Consideration of the conference report on H.R. 2299, Department of Transportation and Related Agencies Appropriations Act, 2002 (subject to a rule).

Extensions of Remarks, as inserted in this issue

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