

EXECUTIVE SESSION

would go back and readjust the limits that are in law which allow for issuing of bonds for manufacturing facilities. The amount of the bonds that can be issued in any one particular time were set in 1977 and 1978 so, obviously, things have changed since that time—in fact, many times over—as the equivalent has been changed.

This amendment would make adjustments to industrial revenue bonds, the rules and regulations for manufacturing facilities. The amendment would not increase the amount of bonding capacity available to individual States. In other words, it would not be an increase of expenditures but, rather, would give more flexibility to those who are making grants to make them for a larger amount.

Actually, the industrial revenue bonding capacity available to an individual State is the greater of an amount equal to \$75 per State resident or \$225 million. The formula is not affected by this amendment. Therefore, the amount of bonding available would not be affected.

The maximum bond capital expenditure limitation on small issue bonds for manufacturing facilities has been \$10 million. This amendment moves it to \$20 million. It does not change the amount of money available. It simply makes more flexible the amount that could be offered for a particular facility. It provides for an inflation adjustment. This was established in 1978. The purchasing power of \$10 million today is much higher, of course. This amendment provides that inflation adjuster we discussed.

We have had some experience with this in our State where people seek to develop new facilities, new manufacturing facilities, which create new jobs. This allows the builder to issue bonds which are then guaranteed, which gives them a much lower rate, and encourages the development of new businesses and new bonds. It is designed primarily for software biotech manufacturing and production. It is something we ought to consider. It is not an expense but, rather, an adjustment to an existing program that makes it more consistent with today's change in the value of dollars.

It addresses the financial problems caused by inflation. It amends the definition of manufacturing facilities to include a new economy, biotech and software. It allows companies to use industrial revenue bonds for research and development facilities which is a critical component.

I think this can be accepted by both sides. It does not affect the cost of this bill. It does make what is available now much more flexible.

I yield the floor.

The PRESIDING OFFICER. The deputy whip.

NOMINATION OF CALLIE V. GRANADE, OF ALABAMA, TO BE UNITED STATES DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF ALABAMA

Mr. REID. The Senator from Alabama is here to speak on behalf of the judge he worked so hard to nominate. I ask unanimous consent we immediately move to the matter relating to the nomination of Judge Callie V. Granade.

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

The clerk will report.

The legislative clerk read the nomination of Callie V. Granade, of Alabama, to be United States District Judge for the Southern District of Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SESSIONS. I thank the Senator from Nevada for his courtesy. I will speak about Callie—known as Ginny—Granade, who will be voted on shortly for the U.S. district judgeship for the southern district of Alabama. Ginny Granade is a nominee of the highest order. President Bush has nominated her to be the judge in the southern district of Alabama. She has the temperament, integrity, legal knowledge, and experience that will make her an outstanding jurist on the Federal bench. I know this from firsthand experience.

She served as assistant U.S. attorney when I was U.S. attorney for 12 years. She had been originally appointed assistant U.S. attorney by my predecessor in the late 1970s. She served with great skill and distinction. I was there when she was named one of the first senior litigation counsels in the Department of Justice, a position that recognized her extraordinary skill and integrity in prosecuting throughout the country.

Later, she became the chief of the criminal section of the U.S. Attorney's Office under my tenure, and then she became the acting U.S. attorney, until recently, when the new U.S. attorney was confirmed by the Senate.

Ginny is levelheaded, fair minded, trustworthy, and very smart. She has tremendous capabilities. She graduated from the University of Texas School of Law. After graduation she served as a law clerk to the Honorable John Godbold for the U.S. Court of Appeals for the Fifth Circuit. Judge Godbold was chief judge of the Fifth Circuit. When the Fifth Circuit split, he became chief judge of the Eleventh Circuit. He was one of the great jurists in America. This old Fifth Circuit is the same circuit in which her grandfather served, one of the grand judges of the old Fifth Circuit. He is widely credited as being part of a group of judges on that court who wrestled with and moved the South out of its days of segregation into a new day of race relations. He certainly is a champion of those causes.

As Senator DURBIN recognized in the hearings, his was a contribution to harmony and integration in the South.

Her experience has been particularly valuable for her to serve on the bench. She served for 20 years in the U.S. Attorney's Office where she practiced on a regular basis, in the very same district court for which she has been nominated, as well as her experience in appellate work in the Eleventh Circuit where she always wrote her briefs and argued her cases. The cases she tried have given her extraordinary exposure to understand how a Federal district court works, and more importantly, how a Federal district judge should conduct herself.

Since Ginny joined the U.S. Attorney's Office in 1977 as the first female assistant U.S. attorney in the southern district of Alabama, she has proven her merit as an extraordinary prosecutor and leader. Her abilities in the courtroom have been demonstrated time and again in her prosecution of complex white-collar fraud cases, tax cases, public corruption cases, cases of every kind—cases she not only tried but supervised.

I remember one case very distinctly. It was the longest criminal case to my knowledge ever tried in the district, 11 weeks. She was the lead attorney. It was a very intense case, with prominent attorneys on the defense side representing prominent defendants. It was well and intensely litigated.

At the end of the case, she made, without a doubt in my mind, the finest closing argument I have ever heard. It was down to earth, simple, not emotional, but logical. She took every allegation, every contention of the Government's case and explained patiently and in detail, with that incredibly bright mind of hers, why the allegations in the indictment were true, and obtained a conviction in that case.

To me, that is an unusual skill. It is an unusual ability she possesses. I have never in my many years of practice seen anything better.

The American Bar Association has unanimously rated her well qualified, the highest rating one can receive. I thought that was a great testament to her reputation with the attorneys in the southern district of Alabama. They know her. They know her reputation. They are the ones to whom the Bar Association talks. It was a tremendous affirmation of the excellence of her career and the integrity she displayed year after year after year.

Former Senator Howard Heflin of Alabama, who also was chief justice of the State of Alabama, and a Democrat, is a fan of Ginny Granade and has supported her and stated he knows of no opposition to her appointment. Her litigation skills, as well as a command of the complex issues, has won her respect and admiration and overwhelming support throughout her area of practice.

I am glad we are moving on this nomination. We have a judicial crisis in the

southern district of Alabama where I practiced for many years. I received a letter from our chief district judge, Judge Charles Butler, who underscored the need to get this position filled.

He is the only active judge who is serving now in that district. The district is authorized three judges with a fourth approved by the Judicial Conference of the United States. One of these vacancies—the one being filled today—will be the longest district court emergency vacancy in the country, one that is a crisis because we have so few judges and such a heavy caseload. So I really appreciate the willingness of the Senate to move this nomination forward today.

One of the things I think is most valuable as a judicial characteristic is that a judge should have good judgment at the basic level.

You can tell people who have good judgment. When people have good judgment, people ask them for their opinion. They seek out their judgment. When I was U.S. attorney and I had a tough question and a difficult matter to wrestle with, and I often did, I went to Ginny Granade's office and asked her opinion, as did every other lawyer in the office. In fact, judges were even aware of that. Young lawyers also sought her opinion before they went to court, to ask how they should handle a case or what she thought was the legal answer to this, or is this evidence admissible, or is that evidence going to be excluded. They would get her opinion first.

The story is often told that young assistant U.S. attorneys who appeared before Federal judges in the district, who were cornered about the way the Federal judge thought about the law, would say, "Well, Ginny told me that is what it was." That was generally enough to get at least a respectful hearing by the judge.

I suggest in the filling of this vacancy with Ginny Granade as a Federal judge, we are going to have done a good day's work. The district will have a person of integrity and ability, a person who has never been politically engaged in any way but who always has loved the law, has been a person of absolute integrity, a person who worked exceedingly hard, who I know respects the position of a Federal judge, who will work to master it in every conceivable way, and once that is done will preside with the most wonderful temperament but in charge at all times. She has had the experience to do this.

I am excited for her. I am excited for the attorneys in the Southern District of Alabama who will have the honor to practice before her.

In my view, a highly important characteristic of a judge is he or she is a judge you look forward to appearing before. Some judges, will give a lawyer a headache just thinking of going into their court. Other judges make the practice of law a delight. Her experience and practice make me confident

that the lawyers and the litigants in the Southern District of Alabama will enjoy and appreciate their opportunity to be in the courtroom she will control and preside over. She will represent the Federal Government and the laws of the United States in an exemplary manner. I am delighted her nomination will be before this body shortly. I am confident she will receive the same unanimous vote that the ABA gave her, with their highest recommendation.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. LEAHY. Mr. President, I begin by thanking the nominees' home State Senators for working with us on this nomination and by commending the majority leader and our assistant majority leader for bringing this matter to successful conclusion today.

Callie Granade is the second nominee being considered from Alabama in the last several weeks and the second confirmed to fill an emergency vacancy. On November 6, the Senate confirmed Judge Karon Bowdre by a vote of 98 to 0 to a longstanding vacancy on the Northern District of Alabama District Court. Today the Senate will take final action to fill a longstanding vacancy on the Southern District of Alabama District Court.

This nomination was received on September 5 and reported favorably to the Senate by the Judiciary Committee just a few days before the Senate adjourned last December. It is being taken up in the first days of our return. These Alabama district court vacancies have persisted for years while Senators were unable to agree on acceptable nominees with the previous administration. Unlike the nomination of Ken Simon, which languished for more than 6 months in 2000 without a hearing, both Karon Bowdre and Callie Granade have been considered promptly. I congratulate the nominee and her family on her confirmation today.

Confirmation of Ms. Granade will be the seventh confirmation filling a vacancy designated as a judicial emergency since I became chairman last summer. Unfortunately, the White House has yet to work with home-State Senators to send nominees for an additional 15 judicial emergency vacancies and 31 federal trial court vacancies.

With today's confirmation, the Senate has confirmed three additional judges since returning late last month. The Senate will have confirmed 31 judges since the change in majority last summer.

Of course, I have yet to chair the Judiciary Committee for a full year; it

has been barely 6 months. But the confirmations we have achieved in those 6 months are already comparable to the year-end totals for 1997, 1999 and 2000 and nearly twice as many as were confirmed under a Republican majority in the Senate in 1996.

The 1996 session was the second year of the last Republican chairmanship. In that 1996 session, only 17 judges were confirmed all year and none were confirmed to the Court of Appeals—none. I expect and intend to work hard on additional judicial nominations through this session and to exceed the number of judges confirmed during the 1996 session.

The Judiciary Committee held its first hearing of the session on our second day in session, January 24, for Judge Michael Melloy, a nominee to the 8th Circuit from Iowa, and district court nominees from Arizona, Iowa, Texas, Louisiana and the District of Columbia, a total of six judicial nominations.

I have set another hearing on the nomination of Judge Charles Pickering for the 5th Circuit for this Thursday, February 7, 2002.

I am working to hold another confirmation hearing for judicial nominations, as well, before the end of February, even though it is a short month with a week's recess.

I noted on January 25 in my statement to the Senate that we inherited a frayed process and are working hard to repair the damage of the last several years.

I have already laid out a constructive program of suggestions that would help in that effort and help return the confirmation process to one that is a cooperative, bipartisan effort. I have included suggestions for the White House, that it work with Democrats as well as Republicans, that it encourage rather than forestall the use of bipartisan selection commissions, and that it consider carefully the views of home-State Senators.

This past summer, by the time I became chairman of the Judiciary Committee, Federal court vacancies already topped 100 and were rising to 111. Since July, we have worked hard and the Senate has been diligent in considering and confirming 31 judges, thereby beginning the process of lowering the vacancies on our federal courts. Since I became chairman, 26 additional vacancies have arisen. Still, we have been able to outpace this high level of attrition and lower the vacancies to under 100.

During the last 6½ years when a Republican majority controlled the process, the vacancies rose from 65 to over 100, an increase of almost 60 percent.

By contrast, we are now working to keep these numbers moving in the right directions. Our majority leader, with the help of the assistant majority leader, is clearing the calendar of judicial nominations and the Senate has proceeded to vote on every one of them. This is one of the reforms that

signals a return to normalcy for the Senate, which had gotten away from such practices over the past 6 years. Since the change in majority, judicial nominees have not been held on the calendar for months and months or held over without action or returned to the President without action.

I have observed that to make real progress will take the cooperation of the White House. The most progress can be made most quickly if the White House would begin working with home-State Senators to identify fair-minded, nonideological, consensus nominees to fill these court vacancies. One of the reasons that the committee was able to work as quickly as it has and the Senate has been able to confirm 31 judges in the last few months is because those nominations were strongly supported as consensus nominees.

I have heard of too many situations in too many States involving too many reasonable and moderate home-State Senators in which the White House has demonstrated no willingness to work with home-state Senators to fill judicial vacancies cooperatively. As we move forward, I urge the White House to show greater inclusiveness and flexibility and to help make this a truly bipartisan enterprise. Logjams exist in a number of settings.

To make real progress, repair the damage that has been done over previous years, and build bridges toward a more cooperative process, there is much that the White House could do to work more cooperatively with all home-State Senators, including Democratic Senators.

Of course, more than two-thirds of the Federal court vacancies continue to be on the district courts. The administration has been slow to make nominations to the vacancies on the Federal trial courts. In the last 5 months of last year, the Senate confirmed a higher percentage of the President's trial court nominees, 22 out of 36, than a Republican majority had confirmed in the first session of either of the last two Congresses with a Democratic President.

Last year the President did not make nominations to almost 80 percent of the current trial court vacancies. As we began this session, 55 out of 69 vacancies were without a nominee. In late January, the White House finally sent nominations for another 24 of those trial court vacancies.

After the committee receives the indication that the nominees have the support of their home-State Senators and after the committee has received ABA peer reviews, these recent nominations will then be eligible to be included in committee hearings. Because the White House shifted the time at which the ABA does its evaluation of nominees to the post-nomination period, these 24 nominees are unlikely to have completed files ready for evaluation until after the Easter recess. Even then, over two and one-half dozen of the Federal trial court vacancies, 31, may still be without eligible nominees.

We have accomplished more, and at a faster pace, than in years past. We have worked harder and faster than previously on judicial nominations, despite the unprecedented difficulties being faced by the Nation and the Senate.

I am encouraged that this confirmation today was not delayed by extended, unexplained, anonymous holds on the Senate Executive Calendar, the type of hold that characterized so much of the previous 6½ years. Majority Leader DASCHLE has moved swiftly on judicial nominees reported to the calendar.

I thank all Senators who have helped in our efforts and assisted in the hard work to review and consider the dozens of judicial nominations we have reported and confirmed. I thank, in particular, the Senators who serve on the Judiciary Committee. I thank them not only for their kind words, but for their helpful action since this summer.

As our action today demonstrates, again, we are moving ahead to fill judicial vacancies with nominees who have strong bipartisan support.

Mr. President, I ask unanimous consent to print in the RECORD an editorial from the Washington Post.

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

[From the Washington Post, Jan. 27, 2002]

MR. LEAHY AND JUDGES

Sen. Patrick Leahy, Democratic chairman of the Senate Judiciary Committee, gave a speech on the Senate floor Friday that, on the surface, seemed like another round of partisan warfare over judges. But embedded within the rhetoric was a significant step toward bringing some comity back to the judicial nominations process. Mr. Leahy promised "steadiness in the hearing process" and "regular hearings" on judges at a pace faster than the Senate has managed in recent years. He promised also that these hearings would not be weighted too heavily toward relatively uncontroversial district judges but would give appeals court judges a fair shake too—including specifically a number of court of appeals nominees whom liberals oppose.

One can quibble about the names the senator left off his list; he did not, for example, promise a hearing for D.C. Circuit nominee John Roberts. But the overall message was positive. If Mr. Leahy sticks to the plans he laid out, this could be a fair and productive year for judicial nominations.

Mr. Leahy also asked that President Bush do more to accommodate the concerns of Senate Democrats in making nominations. It is a message that Mr. Bush should take to heart. In two courts of appeals in particular, the 6th and 4th circuits, Republicans blocked President Clinton's nominees for years, keeping seats open that Mr. Bush is now keen to fill. Democratic senators from Michigan and North Carolina want a say in who gets nominated and are blocking Mr. Bush's nominees. Mr. Bush has the right to name whomever he wants, but the Democratic grievance is legitimate, and the process would benefit greatly if these logjams could be broken in a fashion acceptable to both parties. It's hard to imagine that nowhere in these two states are there potential judicial candidates whose records and qualifications stand above politics.

The PRESIDING OFFICER. The question is, Will the Senate advise and

consent to the nomination of Callie V. Granade, of Alabama, to be United States District Judge for the Southern District of Alabama? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New Jersey (Mr. CORZINE), the Senator from Iowa (Mr. HARKINS), the Senator from Hawaii (Mr. INOUE), the Senator from Massachusetts (Mr. KERRY), the Senator from Georgia (Mr. MILLER), the Senator from New York (Mr. SCHUMER), the Senator from New Jersey (Mr. TORRICELLI), and the Senator from Minnesota (Mr. WELLSTONE) are necessarily absent.

Mr. CRAIG. I announce that the Senator from Missouri (Mr. BOND), the Senator from Kansas (Mr. BROWNBACK), the Senator from Mississippi (Mr. COCHRAN), the Senator from Wyoming (Mr. ENZI), the Senator from Tennessee (Mr. FRIST), the Senator from Texas (Mr. GRAMM), the Senator from Utah (Mr. HATCH), the Senator from Texas (Mrs. HUTCHISON), the Senator from Mississippi (Mr. LOTT), the Senator from Arizona (Mr. MCCAIN), the Senator from Kentucky (Mr. MCCONNELL), the Senator from Oklahoma (Mr. NICKLES), the Senator from Pennsylvania (Mr. SANTORUM), the Senator from Pennsylvania (Mr. SPECTER), the Senator from Alaska (Mr. STEVENS), the Senator from Tennessee (Mr. THOMPSON), and the Senator from Virginia (Mr. WARNER) are necessarily absent.

I further announce that if present and voting the Senator from Pennsylvania (Mr. SPECTER), would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 75, nays 0, as follows:

[Rollcall Vote No. 11 Ex.]

YEAS—75

Akaka	Dayton	Leahy
Allard	DeWine	Levin
Allen	Dodd	Lieberman
Baucus	Domenici	Lincoln
Bayh	Dorgan	Lugar
Bennett	Durbin	Mikulski
Biden	Edwards	Murkowski
Bingaman	Ensign	Murray
Boxer	Feingold	Nelson (FL)
Breaux	Feinstein	Nelson (NE)
Bunning	Fitzgerald	Reed
Burns	Graham	Reid
Byrd	Grassley	Roberts
Campbell	Gregg	Rockefeller
Cantwell	Hagel	Sarbanes
Carnahan	Helms	Sessions
Carper	Hollings	Shelby
Chafee	Hutchinson	Smith (NH)
Cleland	Inhofe	Smith (OR)
Clinton	Jeffords	Snowe
Collins	Johnson	Stabenow
Conrad	Kennedy	Thomas
Craig	Kohl	Thurmond
Crapo	Kyl	Voinovich
Daschle	Landrieu	Wyden

NOT VOTING—25

Bond	Harkin	McConnell
Brownback	Hatch	Miller
Cochran	Hutchison	Nickles
Corzine	Inouye	Santorum
Enzi	Kerry	Schumer
Frist	Lott	
Gramm	McCain	

Specter Thompson Warner
Stevens Torricelli Wellstone

The nomination was confirmed.

● Mr. WELLSTONE. Mr. President, I ask that the RECORD show that I was necessarily absent for this evening's vote on the nomination of Callie Granade to be U.S. district judge for the Southern District of Alabama. I was attending the visitation for Minnesota State Representative Darlene Luther, who passed away last week. Had I been present, I would have voted in favor of the nomination.●

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, what is the current order of business?

The PRESIDING OFFICER. Under the previous order, the President will be notified of the Senate's action.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

HOPE FOR CHILDREN ACT— Continued

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 2770

Mr. CRAIG. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

The Senator from Idaho [Mr. CRAIG], for himself, Mr. TORRICELLI, Mr. GRASSLEY, Mr. SANTORUM, Mr. FRIST, Mr. ENSIGN, and Mr. HUTCHINSON, proposes an amendment numbered 2770 to the language proposed to be stricken by amendment No. 2698.

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

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

The amendment is as follows:

(Purpose: To amend the Internal Revenue Code of 1986 to expand the availability of Archer medical savings accounts)

At the appropriate place, insert the following:

SEC. ____ . EXPANSION OF AVAILABILITY OF ARCHER MEDICAL SAVINGS ACCOUNTS.

(a) REPEAL OF LIMITATIONS ON NUMBER OF MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Subsections (i) and (j) of section 220 of the Internal Revenue Code of 1986 are hereby repealed.

(2) CONFORMING AMENDMENTS.—

(A) Paragraph (1) of section 220(c) of such Code is amended by striking subparagraph (D).

(B) Section 138 of such Code is amended by striking subsection (f).

(b) AVAILABILITY NOT LIMITED TO ACCOUNTS FOR EMPLOYEES OF SMALL EMPLOYERS AND SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Subparagraph (A) of section 220(c)(1) of such Code (relating to eligible individual) is amended to read as follows:

“(A) IN GENERAL.—The term ‘eligible individual’ means, with respect to any month, any individual if—

“(i) such individual is covered under a high deductible health plan as of the 1st day of such month, and

“(ii) such individual is not, while covered under a high deductible health plan, covered under any health plan—

“(I) which is not a high deductible health plan, and

“(II) which provides coverage for any benefit which is covered under the high deductible health plan.”.

(2) CONFORMING AMENDMENTS.—

(A) Section 220(c)(1) of such Code is amended by striking subparagraph (C).

(B) Section 220(c) of such Code is amended by striking paragraph (4) (defining small employer) and by redesignating paragraph (5) as paragraph (4).

(C) Section 220(b) of such Code is amended by striking paragraph (4) (relating to deduction limited by compensation) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(c) INCREASE IN AMOUNT OF DEDUCTION ALLOWED FOR CONTRIBUTIONS TO MEDICAL SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Paragraph (2) of section 220(b) of such Code is amended to read as follows:

“(2) MONTHLY LIMITATION.—The monthly limitation for any month is the amount equal to 1/2 of the annual deductible (as of the first day of such month) of the individual's coverage under the high deductible health plan.”.

(2) CONFORMING AMENDMENT.—Clause (ii) of section 220(d)(1)(A) of such Code is amended by striking “75 percent of”.

(d) BOTH EMPLOYERS AND EMPLOYEES MAY CONTRIBUTE TO MEDICAL SAVINGS ACCOUNTS.—Paragraph (4) of section 220(b) of such Code (as redesignated by subsection (b)(2)(C)) is amended to read as follows:

“(4) COORDINATION WITH EXCLUSION FOR EMPLOYER CONTRIBUTIONS.—The limitation which would (but for this paragraph) apply under this subsection to the taxpayer for any taxable year shall be reduced (but not below zero) by the amount which would (but for section 106(b)) be includible in the taxpayer's gross income for such taxable year.”.

(e) REDUCTION OF PERMITTED DEDUCTIBLES UNDER HIGH DEDUCTIBLE HEALTH PLANS.—

(1) IN GENERAL.—Subparagraph (A) of section 220(c)(2) of such Code (defining high deductible health plan) is amended—

(A) by striking “\$1,500” in clause (i) and inserting “\$1,000”; and

(B) by striking “\$3,000” in clause (ii) and inserting “\$2,000”.

(2) CONFORMING AMENDMENT.—Subsection (g) of section 220 of such Code is amended to read as follows:

“(g) COST-OF-LIVING ADJUSTMENT.—

“(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1998, each dollar amount in subsection (c)(2) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins by substituting ‘calendar year 1997’ for ‘calendar year 1992’ in subparagraph (B) thereof.

“(2) SPECIAL RULES.—In the case of the \$1,000 amount in subsection (c)(2)(A)(i) and the \$2,000 amount in subsection (c)(2)(A)(ii), paragraph (1)(B) shall be applied by substituting ‘calendar year 2000’ for ‘calendar year 1997’.

“(3) ROUNDING.—If any increase under paragraph (1) or (2) is not a multiple of \$50, such increase shall be rounded to the nearest multiple of \$50.”.

(f) PROVIDING INCENTIVES FOR PREFERRED PROVIDER ORGANIZATIONS TO OFFER MEDICAL SAVINGS ACCOUNTS.—Clause (ii) of section 220(c)(2)(B) of such Code is amended by striking “preventive care if” and all that follows and inserting “preventive care.”

(g) MEDICAL SAVINGS ACCOUNTS MAY BE OFFERED UNDER CAFETERIA PLANS.—Subsection

(f) of section 125 of such Code is amended by striking “106(b).”.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(i) EMERGENCY DESIGNATION.—Congress designates as emergency requirements pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 the following amounts:

(1) An amount equal to the amount by which revenues are reduced by this section below the recommended levels of Federal revenues for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011, provided in the conference report accompanying H. Con. Res. 83, the concurrent resolution on the budget for fiscal year 2002.

(2) Amounts equal to the amounts of new budget authority and outlays provided in this Act in excess of the allocations under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Finance of the Senate for fiscal year 2002, the total of fiscal years 2002 through 2006, and the total of fiscal years 2002 through 2011.

Mr. CRAIG. Mr. President, I come this evening to add to the underlying legislation that we are now calling a stimulus package, or at least an effort on the part of Congress and this Senate to produce a Senate version of stimulus that we might get to the House and into conference, an amount that I think is a clear and important part of that stimulus package.

As President Bush has said, Americans know economic security can vanish in an instant without health security. Today nearly 40 million Americans lack health insurance, a crisis that can only worsen today's climate of job loss and double-digit health premium increases.

In 1997, Congress launched a test program to see if medical savings accounts could provide families with health security. That program has succeeded. Despite unnecessary restrictions, over one-third of the participants were previously uninsured. A medical savings account effort to extend coverage to the uninsured at a fraction of the cost of government health care programs has worked in this economy. Rather than letting this promising reform program expire this year, my colleague from New Jersey and I have introduced an amendment to make medical savings accounts permanent and widely available. That is the thrust of this amendment.

I have some great accounts of our country's citizens who have used this advantage, many of them hard-working men and women, middle or lower middle class Americans. Let me cite an example. These are the women. Kay Heine, Kristina Anderson Wright, and Rebecca Turner had this to say for the Wisconsin State Journal:

All three of us are working, middle-class mothers. Two of us are single moms. We all have medical savings accounts that provide health insurance for our families. Our message to people in Washington in plain, unmistakable English, is that MSAs work for working families.

So I hope as we consider the stimulus package, my colleagues would consider